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CEMA AGREES TO BUILD IRON ORE PROJECT IN USSR

AU271438 Prague ZEMEDELSKE NOVINY in Czech 22 Dec 83 p 3

[Article by Engineer Vratislav Valek, candidate of sciences: "An Agreement That Extends to the End of the Millenium"]

[Summary] "The construction of the iron ore combine in Krivoy Rog on the territory of the Soviet Union is a fresh example of cooperation between the CSSR and the USSR. The intergovernmental agreement on the construction of this ore-extraction and ore-treatment plant was signed on 20 October 1983 in the course of the 37th CEMA session in Berlin. The GDR and the Hungarian People's Republic are the two other participants in the project. The object of cooperation is the construction of a combine with an annual capacity for extracting and preparing 30 million metric tons of oxidized ferric quartzite, from which 12.8 million metric tons of iron-ore pellets will be produced every year. The construction of the project will take place on the territory of the USSR in the years 1984-90."

The specific commitments of each state participating in the project will be stipulated in bilateral agreements and contracts on deliveries, which will be concluded within the next 6 months -- not later than June 1984. "Czechoslovakia participates to the tune of 365 million in transferable rubles, which is 13.7 percent of the total volume. We will thereby ensure for ourselves a share in the end products of the combine. In terms of metal, our share will be 1.038 million metric tons a year." The Soviet side will be responsible, above all, for carrying out geological prospecting and verifying the reserves of iron ore; drawing up the blueprints and the budget documentation; allocating land for the construction of the combine and of facilities connected with it; carrying out the ground work; and transporting the machinery, equipment, and materials supplied by the other participating states. The CSSR, Hungary, and the GDR, on the other hand, will be responsible mainly for allocating the necessary manpower, material, financial, and other resources; carrying out construction and assembly work, including housing and cultural and public facilities; and "in case of need, for ensuring freely convertible currency in amounts proportionate to the overall participation of every state in the construction of the combine."

The general investor of the Krivoy Rog combine will be the USSR Ministry of Ferrous Metallurgy. To coordinate the construction of the combine and to deal with problems beyond the powers of the general investor, an intergovernmental commission will be set up with representatives of the CSSR, Hungary, the GDR, and the USSR. "The rough estimate of the investment costs for building the facilities of the Krivoy Rog ore-extraction and ore-treatment combine is 2.67 billion in transferable rubles. This estimate will be specified once the technical-economic draft is completed. The expenditures of the CEMA member-states participating in the project will be extended in the form of a credit. This credit will be repaid for 10 years in the form of iron-ore deliveries within the framework of the general exchange of goods, in unchanging annual quantities. The deliveries of machinery, equipment, materials, and other goods by states participating in the construction will be effected over and above the contracting parties' commitments contained in the protocols on the exchange of goods and payments for the respective periods. The price of the iron ore supplied from the USSR to the Hungarian People's Republic, the GDR, and the CSSR as well as the prices of goods supplied by these states to the USSR in accordance with the multilateral agreement will be set on the basis of the principles and methodology of price-setting valid within the framework of CEMA in the period of the duration of these deliveries." The multilateral agreement on the construction of the Krivoy Rog combine will be valid until 31 December 2000. After the completion of all work, the combine will be the property of the USSR. The conditions for iron ore deliveries from the Krivoy Rog combine after the agreement expires will have to be negotiated.

ASSEMBLY HEARS BUDGET REPORT BY FINANCE MINISTER

AU271512 Tirana ATA in English 0730 GMT 27 Dec 83

["Excerpts From the report on the State Budget for 1983 and on the Draft Plan and Draft State Budget for 1984 -- On Behalf of the Council of Ministers, the Report Was Held at the People's Assembly by Comrade Qirjako Mihali, Minister of Finances on 26 December" -- ATA headline]

[Text] Tirana, December 27 (ATA) -- The meeting of this session of the People's Assembly on the analysis and adoption of the 1984 plan is taking place at a time, Comrade Qirjako Mihali said, when all over the country the working masses of the town and countryside are drawing the balance sheet of the achievements during 1983 and are taking and implementing all-round measures to frontally realise all the tasks during 1984.

During the year which is just going out, under the leadership of the party with Comrade Enver at the head, the working class, the cooperativist peasantry and all the working people of our country, by resolutely implementing the correct Marxist-Leninist line and policy of the party, by working with mobilisation and lofty revolutionary spirit, further intensified their efforts to carry into life the tasks of the 8th congress of the party and scored a number of fresh victories in all the fields of the political, economic and cultural life and in strengthening the defence of the country.

The achievements during 1983 in the allround progress of the country on the road of the construction and defence of socialism were attained in the conditions of the savage imperialist-revisionist encirclement and blockade.

The celebration of the 75th anniversary of the birth of Comrade Enver Hoxha by our entire party and people became a great source of inspiration and mobilisation for ever greater achievements. Wishing a life as long as our mountains to their most distinguished leader and so. They expressed once again powerfully the steel like party-people unity, which is unbreakable in the face of the external and internal enemies, in the face of all the difficulties. This unity constitutes the basis for the entire non-stop progress and the triumphant march of our country towards the complete construction of socialist society.

Speaking of the fulfillment of the plan and state budget for 1983, Comrade Qirjako Mihali pointed out that during 1983 the socialist reproduction of the country assumed greater proportions on the basis of the further increase of social products, of the national incomes and of the realisation of the investments in greater proportions as compared with 1982, the material technical base of the industry, agriculture and all the other branches of the economy and culture was further strengthened. The standard of living of the working masses improved even more and strides forward were taken to narrow the differentiations between the countryside and town.

In some important branches and products of industry, production increased at very fast rates such as in the coal industry by 8.4 per cent, in that of copper 7.9 per cent, steel production 29 per cent, engineering industry 3 per cent, timber and paper industry by 3.3 per cent, light industry by 6.4 per cent, food stuff industry 4 per cent, etc.

In agriculture, the achievements of this year are much better than any other year of the five year plan. The total agricultural production is expected to be about 9 per cent higher than that of 1982. The production of wheat, sunflower, fruits and olives increased perceptibly and the tasks of the plan were fulfilled and overfulfilled. In all the areas sown to wheat this year, it has received the highest yield so far, 31 quintals per hactares. During this year, there were produced more sugar beet, potato, bean, vegetables, milk, eggs, etc. than last year.

Investments worth 4 billion and 875 million leks or 4 per cent more than in 1982 were made for the development of economy and culture.

On he basis of the development of production and of the social and cultural sectors, in 1983, the living conditions of the working people were further improved. The real income per capita of population increased by over 4 per cent, while the purchasing power of the people and retail goods turnover by nearly 6 per cent.

Further on the spoke on some major tasks of the draft plan and draft budget of the state for 1984 and stressed the during 1984, the material and cultural level of the people will be preserved and will further increase. In industry, the total industrial production is expected to increase by 8.5 per cent as against the fulfillment expected in 1983.

Alongside the strengthening of heavy industry, as always, during 1984, special care will be devoted to the fast rate development of light and food stuff industry.

Through the draft plan that is presented, the Council of Ministers on the basis of the orientations of the 8th plenum of the Central Committee of the party, envisages great tasks for the development of agriculture. The total agricultural production is expected to increase by over 14 per cent as against 1983.

The draft plan for 1984 envisages tasks for the development of transport, too. In 1984 the majority part of investments will be used for the development of the productive sphere. 77 per cent of all the state investments will be used in industry and agriculture alone.

Considerable investments will be made in the other branches of the economy and in the social-cultural sphere.

The real incomes per capital of the population are envisaged to increase by 3.7 per cent as against 1983, whereas in the countryside they will increase by 4.9 per cent.

The tasks in the field of education for 1984 are in accordance with the directives of the 7th Five Year Plan on the elevation of the level and quality of the preparation of the pupils and students. Their number in all the categories of schools is envisaged to reach 726,000.

The indexes of the health service are envisaged in general according to the five year plan.

In order to guarantee the nonstop financing of the economy and the other sectors, the state budget for 1984 is also drafted and presented for endorsement. The incomes of the state budget are envisaged to go up by 9.8 per cent as against 1983.

Further on Comrade Qirjako Mihali spoke on some main directions of the work of the state and economic organs for the fulfillment of the plan and budget for 1984.

The tasks envisaged by this draft plan,he continued, will be realised by relying completely on our own forces, on the great capabilities and possibilities of our economy. Their frontal realisation is closely linked with the ever greater enhancement of the defence potential of the country, making it an insurmountable obstacle for every aggressor.

Our people is building socialism confidently at a time when the imperialist-revisionist world is in the grip of a grave economic, political and social crisis. Our victories make happy the friends of socialist Albania wherever they are in the world and enrage its enemies. Through different slanders and concoctions, which have been intensified in recent days, the Belgrade leaders try to darken our successes and to discredit socialist Albania, to cover up the difficult situation existing in Yugoslavia, and especially the political and economic persecution of the people of Kosovo and of all the Albanians living in Yugoslavia.

In conclusion Comrade Qirjako Mihali said: Presenting the draft plan and the draft state budget for next year for analysis and endorsement, the Council of Ministers is fully convinced that the working masses of our country, led by the party with Comrade Enver Hoxha at the head, being fully conscious of the situations in which we are building and defending socialism, will intensify their efforts, will enhance their mobilisation and impetus at work in orcer to look forward to the great celebration of the 40th anniversary of the liberation of the homeland and the triumph of people's revolution chin up and chest out, carrying into reality all the tasks set by the party and the plan of 1984.

Session Ends 27 Dec

AU272018 [Editorial Report] Tirana Domestic Service in Albanian at 1330 GMT on 27 December broadcasts a 20-minute report on the final proceedings of the 4th session of the 10th Legislature of the People's Assembly in Tirana. The announcer states that today's proceedings opened at 0800 with discussions on the report of the Council of Ministers on the fulfillment of the state plan and budget for 1983 and the draft plan for the development of the people's economy and culture and state draft budget for 1984.

The announcer then briefly summarizes the discussion of various deputies who outline the achievements of their own districts in 1983 and who also dwell on some tasks and measures for the 1984 plans in various sectors, such as agriculture, industry, transportation, education, and construction. The announcer then states that after a break, "the deputies and those invited welcomed with applause the entry into the hall of Comrade Enver Hoxha, the beloved leader of our party and people, and other party and state leaders." After discussions had concluded, the announcer states, the assembly moved onto the approval of the draft laws for the state plan and budget for 1984; first in principle; then they were read article by article, and subsequently voted upon. "The law for the state plan for the development of the economy and culture of the People's Socialist Republic of Albania for 1984 was unanimously approved. The law for the state budget for 1984 was also unanimously approved."

The announcer then states that the Assembly moved onto the fourth point on the agenda. "Deputy Besnik Bekteshi, deputy chairman of the Council of Ministers, took the floor on behalf of the Council of Ministers in presenting the draft law on handling the demands, complaints, observations, and proposals of citizens. Deputy Enver Halili, chairman of the Permanent Commission of the Judiciary of the People's Assembly, presented on behalf of this commission the report on the draft law for handling the demands, complaints, observations, and proposals of citizens."

The announcer states that the law was unanimously approved. Sihat Tozaj, secretary of the Presidium of the People's Assembly, then presented the report on the decrees of the Presidium of the People's Assembly on its behalf. The announcer states that after they were read, the decrees were unanimously approved.

The proceedings of the 4th session of the 10th Legislature of the People's Assembly were closed with a speech by Pali Miska, chairman of the People's Assembly.

[Begin Miska recording] Comrade deputies, the 4th session of the 10th Legislature of the People's Assembly held its proceedings at a time when all our country's workers, led by the party, have raised their mobilization at work and have increased their efforts to realize in the best way the tasks of 1983 and to make 1984 a year of general drive to fulfill and surpass all the plan's tasks. The analysis made recently by the Eighth Plenum of the AWP Central Committee on the fulfillment of the 1983 plan and budget tasks and the tasks set for 1984 is a great work program for all Communists and working masses in our country. The proceedings of that plenum once again showed that the successful fulfillment of the plan depends to a large degree on thrift and the better work organization and management by state and economic organs at the center, districts, and base. Under the party's leadership, by further revolutionizing work methods and style, they should adopt a number of measures to improve their work and the economy's management, to raise their sense of responsibility, and to perfect the scientific management and organization of work and production.

Precisely implementing the tasks of the state's unified plan forcefully requires the correct understanding of the situations in which we live and the determination and mobilization to advance forward rapidly and surely. At this session of the People's Assembly we approved the law on the state plan for the development of the economy and culture of the People's Socialist Republic of Albania for 1984 and the law for the state budget for 1984. This plan is real, scientifically based, and entirely feasible.

The resolute and revolutionary work, the implementation of the method of (?action) to solve problems and various economic difficulties, the discovery and highly effective utilization of internal reserves, the thriftness everywhere and in everything, advancement on more scientific bases, the better dissemination of advanced experience -- all these constitute some of the major and most important directions of the work of the state and economic organs for this year. As the party urges, the issue confronting us is to continually raise work standards to even better meet contemporary requirements. Let us work with a more perfected organization and discipline and demand higher accounts. In this sphere the state organs at the base and center should further reinforce their control and demanding of accounts from the economic organs for the fulfillment of the plan's tasks, especially in the oil and gas sector and in some other branches of industry industry, livestock, industrial crops, and in all directions.

We, elected comrades, deputies, and councillors, are also required to do greater work so that our [word indistinct] will give its own aid to realizing tasks and will help especially in the sectors which have the most problems, and in the entire economy. We should consult the electors continually to discover reserves and determine greater tasks for the future. Let us work tirelessly, and together with them, let us participate in the initiatives and revolutionary actions to further advance production and to raise the people's well-being.

The proceedings of this session were also aided by the permanent commissions of the People's Assembly, which for several days, having listened to the reports and explanations by the ministers, held wide discussions and exchanged opinions on improving the state plan and budget indexes and especially on determining the necessary measures to increase production, with the aim that the plan for the development of the economy and culture for 1984 is compact and sets great tasks. But with our people, trained and educated by the party, with the strong economic, material, and technical base, with our rich experience, and relying completely on our forces, we have all the possibilities to better accomplish the tasks for the plan's fulfillment.

As Comrade Enver teaches us, the most important thing is that everyone, led by the party's line, ideology, and policy, should realize the set tasks for all work show initiative and determination, and should be fully responsible for the work he does in the sector he works. The year 1984 is the fourth year of the 5-year plan and the 40th anniversary of the homeland's liberation. In honor of this jubilee let us create everywhere a fiery and revolutionary atmosphere; let us mobilize as never before all the people's abilities to make our socialist economy advance even further and to overcome all hindrances and difficulties, advancing always on the road shown to us by the party and or precious leader, Comrade Enver Hoxha.

Declaring the 4th session of the 10th Legislature of the People's Assembly closed, I wish you all good work, successes in fulfilling tasks, and happy New Year 1984. [end recording]

BTA REVIEWS ANDROPOV SPEECH, CPSU PLENUM

AU271503 Sofia BTA in English 1432 GMT 27 Dec 83

[Text] Sofia, December 27 (BTA commentator Khristo Radev) -- The efforts of the Soviet society are aimed at further harmonious and dynamic development of their country. This was clearly and determinately stresses in both Mr Yuriy Andropov's speech and in the allround activity of the plenary session of the CC of the CPSU which ended its work today.

The principal conclusion made in Mr Andropov's speech is that in 1983 the economic growth rates increased. The quantity indices also raised. Positive changes have been outlined in the national economy for next year. They are the result of the creative and principled approach in resolving the basic tasks. They are the result of the modern style of work. The measures which have been taken for improving the economic activities and the organization and the discipline, contributed to all this.

Everything shows that the course outlined by the 26th Congress of the CPSU is being carried out and the tasks assigned are real and grounded. The chief aim the efforts should be directed at present is the positive processes to continue to develop.

The importance of the new political document is much more increased because of its being an irrefutable proof that the USSR has no aggressive intentions and it poses a threat to no one. Its efforts are aimed at a constructive labor, at fulfilling the social program for the constant improving of the standards of living of the people. The plenary session of the CC of the CPSU and Mr Andropov's speech have an enormous international importance although they were accentuated on questions related to the internal development of the country mainly. They gave an extremely clear answer to the main problem of our time -- either a stable peace or an annihilating war. The CPSU and the Soviet state take a stand for peace and security of the peoples. The constructive tasks they have assigned themselves with could be fulfilled only when there is a trust, mutual advantage and equitable cooperation in the world.

In the present strained and aggravated international situation, Mr Yuriy Andropov's speech inspires calm, security and confidence. But this dangerous situation cannot but have its impact on the Soviet society as well. This is why in Mr Andropov's speech it is stressed that under these circumstances the fulfillment of the state plan is not only an obligation but also a patriotic duty of every Soviet citizen, of each working team, of each party and public organization.

NARODNA ARMIYA MARKS SFRY ARMY DAY 22 DEC

AU231512 Sofia NARODNA ARMIYA in Bulgarian 22 Dec 83 p 3

[Unsigned article: "Born in Combat -- Yugoslav Army Day, 22 December"]

[Excerpt] A celebration marking the 42d anniversary of the Yugoslav People's Army was held at the Central Club of the People's Army in Sofia last night. A film was also shown. Ilija Djukic, SFRY ambassador to Bulgaria, and Dimitrije Vujicic, SFRY military, naval, and air force attache to Bulgaria, as well as generals and officers of the Sofia garrison and many citizens attended.

On behalf of the soldiers and commanders of the Bulgarian People's Army, Army officer Stoichev noted in his greetings speech that the foundation and development of the Yugoslav national liberation Army is a natural result of the constantly strengthened resistance of the Yugoslav peoples and primarily of the workers class and the poor peasants against the Hitlerite-fascist occupation of the country.

Following the victory over fascist Germany in World War II achieved by the Soviet Army and the anti-Hitlerite coalition, the Yugoslav Army has constantly developed and strengthened in parallel with the building of socialism in the country.

Dimitrije Vujcic delivered a speech in reply.

A documentary film was also shown. (own report)

TRADE WITH ROMANIA TO INCREASE 11 PERCENT

AU241636 Sofia BTA in English 1456 GMT 24 Dec 83

[Text] Sofia, December 24 (BTA) -- In 1984 trade between Bulgaria and Romania will increase by 11 per cent as against 1983. This is planned in the trade and payments protocol signed today in the town of Ruse by Mr Khristo Khristov, minister of foreign trade of Bulgaria and by Mr Vasile Pungan, minister of foreign trade and international economic cooperation of Romania.

About 50 per cent of the trade will go to the machinery and equipment. The Bulgarian deliveries will include mainly hoisting and hauling machines, equipment for the store-houses and process lines for the food industry. Romania will deliver automobile technology and machine tools. A greater exchange of consumer goods is expected.

The signing ceremony was attended by Mr Grisha Filipov, chairman of the Council of Ministers and Mr Constantin Dascalescu, first minister of Romania's Government.

TODOROV CLOSES NATIONAL ASSEMBLY SESSION

AU231351 Sofia RABOTNICHESKO DELO in Bulgarian 22 Dec 83 p 2

[Report on closing address delivered by Stanko Todorov, BCP Central Committee Politburo member and National Assembly chairman, at the closing of the 11th session of the eighth National Assembly session on 21 December in Sofia]

[Text] Stanko Todorov, chairman of the National Assembly, stated the following in his closing address:

The work of the 11th session of the eighth National Assembly is nearing its end. We have adopted a new law providing the legal guarantees for the application of the following principles, which are of vital importance for the cooperative movement -- the voluntary character of the movement, equal rights, initiative, and democracy in establishing and in operating the cooperative organizations. In conformity with the demands and instructions of the 12th BCP Congress and Comrade Todor Zhivkov's instructions in this connection, and present law confirms the cooperative movement as based on direct democracy, on drawing closer together for mutual enrichment, on a merging of cooperative and state property, and on the application of the new economic approach and its mechanism. New rights and responsibilities are entrusted to the cooperative organizations through this law and their contribution to the people's well-being is increasing.

The bee-keeping law settles questions connected with the intensive development of this economic branch as an important auxiliary branch of agriculture. The law contributes to the maintenance of a biological balance in our natural environment.

As for the management of bee-keeping, the state-social principle is being applied. The legal protection of the rights and interests of the thousands of bee-keepers who have devoted their efforts, knowledge, and experience, as well as great industriousness to this branch and to these noble activities is guaranteed by the new law.

The National Assembly deputies have discussed the activities of our machine-building and electronics sectors, which are the pillars of our Bulgarian economy. High achievements were assessed in this field and a critical analysis of the state and development of this branch, which has a decisive share in our national income and in the country's currency revenues, has been made. The decision adopted by the National Assembly on this subject entrusts, the Ministry of Machine-Building and Electronics, as well as all other organs and organizations of this branch, with the task of ensuring efficiency and high quality in production, which must match the standards of the international market, the speaker pointed out.

Another year has passed in the history of our socialist development. It has been a year of great efforts and fruitful acheivements along the path of mature socialism. Despite the tense international situation and the unfavorable climatic conditions, the basic indexes of our 1983 plan have been fulfilled. This plan was confirmed by a National Assembly law. Along with the people, the supreme organ of our state power is working for the people's benefit. The role of parliament and of the National Assembly deputies in our country's socioeconomic development has been even more enhanced. New laws have enriched our legal system. Parliamentary control has expanded on a larger scale. There is a trend toward even closer relations between the National Assembly deputies and their constituents. The 4 December 1983 elections for local state organs have confirmed the Bulgarian people's moral and political unity rallied around the party's April policy, and the people's readiness to work for the implementation of this policy.

Despite the fact that we have accomplished a lot, we should not forget that we must improve our parliament's activities and the work of the permanent committees and of the individual National Assembly deputies.

The Eighth National Assembly is entering the second half of its mandate. Our working plan in 1984 envisages activities involving great responsibility relating to legislation and competence quality in connection with the country's planned leadership, and relating to control over the work of the ministries and other state organs, as well as in exercising party and state policy during the fourth year of our Eighth 5-Year Plan period.

I wish you, comrades, National Assembly deputies, and, through you, our constituents, health and happiness during the new year, 1984, Comrade Stanko Todorov said in closing his address. Let us be inspired by new hopes and optimism, by even greater initiative, creative spirit, and by the will to perservere in the efforts to achieve socioeconomic prosperity for Bulgaria, to worthily meet the national party conference and to prepare for the celebrations on the occasion of the 40th anniversary of our socialist revolution.

Next Session to Convene 3 Jan

AU271815 Sofia BTA in English 1800 GMT 27 Dec 83

[Text] Sofia, December 27 (BTA) -- The State Council of People's Republic of Bulgaria convenes 8th National Assembly at 12th Session on January 3, 1984.

ASSEMBLY FOREIGN POLICY COMMISSION MEETS

AU272113 Sofia BTA in English 2039 GMT 27 Dec 83

[Text] Sofia, Dec 27 (BTA) -- A sitting of the standing Foreign Policy Commission of the National Assembly was held in the capital today. It was presided over by the commission's chairman -- Petur Tanchev, first vice-president of the State Council. Mr Stanko Todorov, chairman of the National Assembly, the leaderships of other standing commissions, the leading committee of the Bulgarian Interparliamentary Group, high-ranking assistants of the CC of the BCP and of different ministries participated in it.

Mr Petur Mladenov, minister of foreign affairs, read a report on the results of the Madrid meeting and on the tasks related to Bulgaria's future participation in the development of the all-European process. He esteemed the successful ending of the Madrid meeting as an important event which corroborates of thefact that detente has deep roots in the European soil and that it has a solid reserve of vital force.

The final document of the meeting is aimed at finding out ways and means for consolidating mutual trust and understanding, and opens up possibilities for a fruitful development of cooperation, for deepening the detente, the speaker underlined. Just like before, Bulgaria will continue in the future to defend this constructive method which is the sole to ensure a fruitful development of the all-European process. [sentence as received] In this connection the minister informed the commission of the concrete measures for implementing the Madrid agreements which have been taken by the Bulgarian side.

He stressed that the arms race, stepped up by the militarist circles of the USA and NATO, is in variance with the requirements and specific principles of the Final Act of Helsinki and of the Madrid document. The deployment of the new U.S. missiles which has already started in Western Europe and is aimed at disrupting the strategical balance on our continent to the advantage of NATO, creates an extremely dangerous situation, which poses a threat to peace and security in Europe. By noting the decisive contribution of the socialist countries of the Warsaw Treaty Organization to strengthening peace and security, the speaker stressed that their is also the initiative for convening a conference on the measures for consolidating the trust and security and for disarmament, due to open in Stockholm on January 17, 1984. Our country attaches great importance to this forum and considers that it can become an important factor in strengthening the basis of European peace.

In conclusion Minister Petur Mladenov said that by consistently pursuing her peace policy, Bulgaria will give in the future her contribution to translating into life the spirit and letter of the Final Act of Helsinki and of the Madrid document.

The Commission gave high assessment to Bulgaria's peaceful foreign policy, expressed its satisfaction with the results full of content of the Madrid meeting and backed up the measures outlined for implementing the agreements contained in the Final Act of Madrid and for the Bulgaria's future participation in the development of the all-European process.

By expressing concern over the danger looming over Europe and by taking into consideration the radically new situation through the fault of the deployment of U.S. missiles in some Western European countries the commission backed up Mr Yuriy Andropov's declaration of November 24, 1983, and the reply measures for preserving the military parity, taken by Governments of the Soviet Union, the GDR and Czechoslovakia. It expressed its unreserved backing to the declaration of Bulgaria's Government of November 25, published in this connection.

ZHIVKOV VISITS BOTEVGRAD PARTY, PLANT 23 DEC

AU231624 Sofia Domestic Service in Bulgarian 1500 GMT 23 Dec 83

[Text] Todor Zhivkov, BCP Central Committee secretary and State Council chairman, is visiting Botevgrad in connection with the festive celebration on the 90th anniversary of the local party organization. Following a meeting with the Botevgrad Municipal Party Bureau, Comrade Todor Zhivkov and the officials accompanying him visited the Botev economic chemical combine. Petko Danchev, director of the combine, acquainted Comrade Todor Zhivkov with the production of (?aluminum) folio and of casings that serve the needs of the furniture industry, construction, electrical engineering, and of everyday life. He spoke about the recently founded association of the Botev combine, the combine for production of Chavdar buses, and the scientific production economic combine for semiconductors and for everyday needs.

Speaks at Celebration

AU241612 Sofia Domestic Service in Bulgarian 1830 GMT 23 Dec 83

[Speech by Todor Zhivkov, BCP Central Committee secretary general and State Council chairman, delivered at 23 December Botevgrad celebration on the occasion of the 90th anniversary of the Botevgrad party organization -- recorded]

[Text] Dear veterans of the Botevgrad party organization, dear Botevgrad Communists, comrades: I thank you for the invitation to visit you and to mark with you this great and moving holiday. The celebration of the 90th anniversary of the beginning of the organized socialist movement in Botevgrad is truly a great and moving holiday because it is a holiday of the communist ideas that have been victorious and are victorious in the Botevgrad region, because of its socialist building and constant upsurge, and because it is a holiday of the loyalty to the immortal cause of the heroic deeds and legacies of those predecessors and comrades of ours who were killed in the struggle for our freedom. This also is so because it is a holiday of the wholehearted determination of the Communists, united agrarians, Komsomols, and working people of the Botevgrad region to spare no efforts in building a developed socialist society and a future communist Bulgaria. Congratulations on the holiday, dear comrades. [applause]

The Botevgrad region and its population over the generations -- as an indivisible part of our land, the land of Botev and Levski, and an indivisible part of our people and their history -- is well-known for its glorious revolutionary past, and not only in the struggle for national liberation but also in the struggle against capitalism and fascism. That is why it is absolutely clear that in only 2 and 1/2 decades after the liberation of Bulgaria and only 2 years after the historic Buzludzha congress at which Dimitur Blagoev and his associates built the sound basis of the revolutionary-Marxist party of the Bulgarian proletariat, here in what was once called Orkhane and in the neighboring villages the first organized socialist groups emerged.

On this holiday of ours, however, let us first of all express our filial admiration for and gratitude to the creators of the Botevgrad party organization. [applause] Ninety years ago, in this poor area of Orkhane, which was forgotten by the king and God, they had probably seen in their dreams the future town of theirs as a rich and splendid town or in such a way as it looks today, while they dreamed for a socialist Bulgaria as a united, strong, and beautiful one in the same way as we are building it, we, their (?heir). [applause]

They, the founders of the Botevgrad party organization, had all the revolutionary virtues of the socialists and they transferred them to us. They headed the workers, the peasants, and the progressive intelligensia in the struggle against capitalist exploitation as well as for political rights and privileges. This organization called for peace among the peoples and condemned Bulgaria's participation in World War I. It was a follower of the proletarian internationalists and acclaimed the Great October Socialist Revolution and, according to its possibilities, rendered support to the young Soviet state. They, the founders of the organization, have taught the young people communism and educated them to courageously and steadily struggle for Marxist-Leninist ideas. In this connection, I cannot fail to recall the fact that the past secondary school in Orkhane was a true propagator of socialist ideas and a center of party cadres of fighters.

We know that the road traveled by the Communists of Botevgrad, one of the numerous detachments of our party, was not an easy one. This road has scored not only a series of victories but also of mistakes and [words indistinct] and sometimes heavy defeats. However, the mistakes and defeats made the Botevgrad party organization become stronger and even more confident in leading the struggle of the working people against the capital and fascism.

On this holiday of ours may we express our gratitude and our admiration for the sacrifices and heroic deeds of the Communists, agrarians, [illegible] the united front-men of the Botevgrad region who in July and September 1923 rose with weapons in their arms in the name of workers-peasants power. They have struggled for the motherland and died dreaming of such power which our dear People's Republic of Bulgaria has now. [applause]

The fascists were afraid of Botevgrad's Communists and of their influence on the people. This was confirmed by a tragic historical fact. The fascists physically destroyed almost all the town's organized Communists. On this holiday of ours may we express our gratitude and admiration for the heroes and martyrs of the bloody year 1923 and the Orkhane barracks. They were killed as heroes in the name of a bright, free, and happy future that is a realistic present for us.

During the years of World War II, the Botevgrad party organization displayed itself as a strong and combat-capable detachment which united the Communists, the Young Communists, the agrarians, and the non-fascists in the armed resistence movement. It was a broad and hopeful base for the partisan supporters from the partisan detachments of Gavril Genov and Georgi Benkovski as well as of the Chavdar partisan detachment, which later joined [words indistinct] in the villages of Lipnitsa and Novachene, where the illegal regional party committee had transferred itself. In Scravena [words indistinct] Ludzhene and Pravets.

On this holiday of ours may we again express gratitude and admiration for all our comrades who, during the time of the antifascist struggle, struggled under the red banner of the BCP, for the heroic deeds of the supporters of the partisans, and for the partisans of the Botevgrad region who burned in the flames of the struggles and who are resting today under the five-star fraternal graves near [words indistinct] and Vrachesh. For us they all are alive because they left behind to us the growing generation of Communist Bulgaria, an immortal example. May their immortal revolutionary spirit be content because we have continued their cause toward victory; we will realize their legacies and will implement their most courageous dreams. [applause]

Comrades, the 9 September socialist revolution came to the Botevgrad region at a time when it was one of the most backward regions in the country. We, the middle-aged Communists, are well aware of the scene at that time in Botevgrad and the neighboring villages. The poverty, the unemployment in the small workshops, and the roughly paved streets were striking. The (?people's power) has freed the huge creative forces of the people in the region. Under the leadership of the Botevgrad town party organization, a loyal detachment of the BCP, united and rallied around its general April line, the Botevgrad urbanization system has transformed itself in 4 decades and turned into a major industrial center with industries of national importance. It has a modern agriculture, powerful industrial combines were built, and one of the first agro-industrial complexes in the country was founded. The towns and villages were urbanized and the people are enjoying the results of their work [words indistinct] and spiritually. In a word, the transformed Botevgrad region is a mirror of the ascending road and successes of our socialist motherland. [applause] On this holiday of ours may we express gratitude to the Communists, united agrarians, Komsomols, workers, farmers, representatives of the scientific-technical and creative intelligensia, and to everybody who with their brains, courage, and work transformed this region into a flourishing region of the People's Republic of Bulgaria. [applause] The Botevgrad party organization and all its leaders and members during the years of the people's regime, as well as its present municipal party committee and its first secretary and hero of socialist labor, Dimitur Vasilev, are responsible for these successes. [applause]

Regardless of the fact that the past Botevgrad region in itself has included three urbanization systems, I think that I will not be mistaken in saying that the Botevgrad urbanization system plays the greatest economic, political, and social role. That is why the Botevgrad party organization is the strongest and the most authoritative one, and I am glad that it has rendered real assistance and support to the party organizations in Etropole and Pravets. [applause]

Please allow me now to make a short digression. In his report, Comrade Vasilev addressed me with very kind words and I am grateful for this. At the same time in the name of historic truth, I would like to make an objection in connection with what he said. Comrade Vasilev called me a countryman of yours and a former student of the Botevgrad party organization. As far as the first part is concerned, I agree with him, while the second part is not correct. It is true that I received the first lessons in communism in the Botevgrad secondary school. However, I became an organized Communist in Sofia and I consider myself a graduate of the Sofia worker's class and of the Sofia party organization. [applause] [words indistinct] but this is the truth. It is true, however, that during the years of struggle, as a representative of the oblast party committee and particularly before 9 September, I had always worked with pleasure with you, Botevgrad's Communists and working people, and I have also considered you close friends.

Comrades, you, the Botevgrad Communists and working people, have always fulfilled the tasks set by the BCP and have always fulfilled your production plans. As far as I know this is the same in 1983, all the more that the Commemoration of the 90th anniversary of the organized socialist movement in your region has given you further impetus for high working achievements in all spheres and for implementing the decisions of the 12th BCP Congress into material deeds. The celebration of such successful events for us is (?good justification) for making a balance sheet of the achievements. We must, however, also look at unresolved problems, shortcomings, and weak points in order to resolve and overcome them. And I am positive that there also are such unresolved problems, shortcomings, and weak points in the Botevgrad urbanization system.

In my speech I will not analyze the present international situation. Everybody knows that it is extremely aggravated and alarming. I will only note that the dangerous international situation requires from everybody a full mobilization of their strengths and more inspired, organized, disciplined, qualitative, and productive work.

Please allow me, on the occasion of this glorious jubilee of the Botevgrad party organization, to convey to you cordial greetings on behalf of the Politburo and Secretariat of the BCP Central Committee and to also congratulate you on my own behalf. [applause] The Secretariat of the BCP Central Committee genuinely believes that the Communists and all working people in Botevgrad region, guided by their party organization, will commemorate the national party conference with worthy (?achievements) and will continue to tirelessly work for the well-being of the motherland.

I again congratulate you on this jubilee! [applause] On the eve of the 1984 new year I wish to all of you, my dear countrymen, good health, peaceful work, successes, and happiness!

FILIPOV SPEAKS AT LOVECH PARTY ANNIVERSARY

AU242002 Sofia Domestic Service in Bulgarian 1830 GMT 24 Dec 83

[Summary] The 90th anniversary of the foundation of the Lovech party organization was marked at a celebration held in Lovech tonight. "Comrade Grisha Filipov; Khristo Dobrev, first deputy minister of national defense; Petur Balevski, first secretary of the Lovech Okrug party committee; former partisans, and others attended the celebration." Toncho Beshev, first secretary of the Lovech Municipal Party Committee, read a report.

"Following this, Comrade Grisha Filipov conveyed greetings on behalf of the BCP Central Committee and on behalf of Comrade Todor Zhivkov, personally. He also spoke about the important position of the Lovech party organization in the Bulgarian Communist movement as a militant detachment which includes in its ranks numerous fighters for freedom and thousands of builders of the present-day Bulgaria."

DAILY CRITICIZES 'ARAFAT MEETING WITH MUBARAK

AU271433 Bratislava PRAVDA In Slovak 24 Dec 83 p 5

[Correspondents' dispatches from Beirut and Tunis: "Open Questions Around the PLO" -- capitalized passages published in boldface]

[Text] Beirut (ZR) -- THE ARAB WORLD, IN PARTICULAR, WAS SHOCKED BY THE REPORT ABOUT THE MEETING OF YASIR 'ARAFAT, CHAIRMAN OF THE PLO EXECUTIVE COMMITTEE, WITH EGYPTIAN PRESIDENT HUSNI MUBARAK. EGYPTIAN PRESS AGENCIES CLAIMED IN THIS CONNECTION THAT EGYPT HAS BEEN, AND WILL BE, A REAL BASTION OF THE PEOPLE OF PALESTINE AND THEIR STRUGGLE FOR A PALESTINIAN STATE.

In reality, however, nothing has changed in the close alliance of the regime of Husni Mubarak with American capital. It is in this spirit that Cairo is prodding the PLO to cooperate with King Husayn of Jordan. Although more than a million Palestinians live in Jordan, they are not willing to subordinate themselves to the regime of the Jordanian king, which collaborates with the United States.

At its session in Algiers, the Palestine National Council backed contacts with progressive and socialist forces in Egypt but not with official Egyptian circles, which support the line of Camp David. Despite Cairo's reservations about the U.S.-Israeli agreement on strategic cooperation, this line strengthens American positions in the Middle East. 'ARAFAT'S MEETING WITH MUBARAK MAY BE PART OF POLITICAL-DIPLOMATIC MANEUVERING BUT IT IS NOT A POINT OF DEPARTURE FOR SOLVING THE PROBLEMS OF THE PALESTINIAN NATIONAL LIBERATION MOVEMENT. The centerpiece of the struggle for the right to return home and to set up a state of one's own is in mobilizing the resistance movement in the occupied territories and in organizing cooperation among the national liberation forces of the Arab world, including Syria.

THE HOPE FOR LIBERATING THE ARAB WORLD CANNOT BE SOUGHT IN REGIMES THAT COLLUDE WITH IMPERIALISM, AS IS THE CASE OF EGYPT OR SAUDI ARABIA, BUT IN LOOKING FOR POSSIBILITIES OF DEVELOPING COOPERATION WITH THE MOST PROGRESSIVE FORCES OF THE NATIONAL LIBERATION STRUGGLE OF THE ARAB WORLD.

Tunis -- Salah Khalaf (Abu Iyad), a close collaborator of Yasir 'Arafat, told journalists in Tunis that 'Arafat's reconciliation with the representatives of Egypt runs counter to decisions of Fatah and the PLO Executive Committee.

According to AFP, the U.S. Administration declared that it feels encouraged by the meeting between Y. 'Arafat and H. Mubarak in Cairo. According to another report, Avigdor Ben Gal, commander of the Israeli northern front, said that, from the Israeli viewpoint, it is highly desirable that the infighting between PLO factions continue and that it last as long as possible.

RUDE PRAVO VIEWS YUGOSLAV ECONOMIC ILLS

AU271331 Prague RUDE PRAVO in Czech 22 Dec 83 p 6

[Jan Hrobar Belgrade dispatch]

[Text] Hardly anyone in Yugoslavia will be sorry to see the end of the old year 1983. Everybody, from the country's top representatives to the rank-and-file citizen, agrees that the past year has been none too easy -- a year full of vicissitudes and tensions.

The economic stagnation during the first half-year, which was caused by the freeze of reproduction processes in many sectors due to lack of funds, including currency resources, materials, and raw materials, was replaced in the second half-year by a certain revitalization, so that the annual average of economic growth will be slightly above zero.

Agricultural production ensures the country relative self-sufficiency in basic foodstuffs supplies, but it is seriously lagging behind the goals of the 5-year agricultural program (1981-85), which, in the opinion of the Yugoslav press, can no longer be fulfilled. The export tasks of the agricultural branch -- namely, to acquire foreign currency for the national economy -- are being fulfilled at the cost of supplies to the domestic market. The general priority of exports, particularly to the West -- in the interests of acquiring resources for repaying the dollar debts (medium-term and long-term loans amount to about $19 billion) -- has opened up and deepened the numerous disproportions, breakdowns, and weak points throughout the reproduction, financial, and social system.

A review of the year 1983, which is now drawing to an end, strongly reflects the inflation, which is estimated, in the final balance, to amount to 60 percent. In November alone prices increased 8.3 percent, compared with October, and this includes a 30-percent increase in meat prices. A few days ago the paper BORBA noted, among other things, in a general reflection about the development of living standards: "From the statistics for the 11 months of 1983 it follows that the average citizen, that means most of us, is leading an increasingly deteriorating and poorer life. The cost of living has risen 48.9 percent since the beginning of the year, and 52.3 percent if compared with the same period last year. That is why the decline of living standards in Yugoslavia is expressed in two-digit figures."

We can add to this the official data, according to which the living standards in Yugoslavia have dropped to the level of 1969. In addition, during the 11 months of this year, the value of the dinar in relation to the U.S. dollar has dropped no less than 99 percent. This is because the dinar's exchange rate is dictated by the conditions of the International Monetary Fund.

The unemployed, too, will have no good memories of this year: their number has increased yet again in the course of the year, and is now approaching 1 million. Likewise, the citizens are increasingly suffering from cold and darkness in their apartments as a result of the energy crisis, with limited rations of gasoline and a shortage of electric power.

The search for a way out of the crisis has been broached by the LCY's organ KOMMUNIST, which pointed out that it was the LCY and its 12th congress that formulated the task of evaluating the operation of the political system, and also pointed out that nobody has the right to claim this initiative arbitrarily and in a self-appointed way. "The substance of this initiative is," KOMMUNIST wrote, "that the weaknesses, which undoubtedly exist in the current functioning of the political system, must be eliminated to make the system more efficient and effective"; at the same time, the paper categorically stressed that "there can be no question of radically changing the political system."

There are numerous discussions about these problems. They include various symposia and public discussions. Many statements also show that attempts to stubbornly defend even what theory and social practice have proved to be outmoded and unviable are no isolated affair.

It is not and will not be easy to unravel the knot of issues, problems, and disputes of all kinds of orientations, species, and colors. Should the new year 1984 be set the task of coping with all this, it would prove to be a gigantic task. The new year is expected to be no less distressing than this year was.

HUSAK ARRIVES IN BRATISLAVA FOR VISIT 23 DEC

LD231246 Prague Domestic Service in Czech 1130 GMT 23 Dec 83

[Text] Gustav Husak, general secretary of the CPCZ Central Committee and president of the CSSR, arrived by air for a visit to the capital of Slovakia today. He was accompanied by Josef Kempny, Presidium member of the CPCZ Central Committee and chairman of the Czech National Front. The distinguished guests were welcomed at the Bratislava airport by Jozef Lenart, first secretary of the CPSL Central Committed and Peter Colotka, Slovak premier, members of the CPCZ Central Committee, and other guests. Thousands of citizens of Bratislava also came to cordially greet Comrade Gustav Husak.

Attends Anniversary Ceremony

LD232353 Prague Domestic Service in Czech 1430 GMT 23 Dec 83

[Excerpts] Gustav Husak, general secretary of the CPCZ Central Committee and president of the Republic, attended this afternoon a festive unveiling of a memorial tablet on a building at Tajova Street, where 40 years ago, on the initiative of the fifth illegal central leadership of the CPSL, the Slovak National Council was founded in December 1943 as a national organ of the antifascist and national liberation fight and an important program document was adopted: the Christmas Agreement.

Also present at today's ceremony were Presidium members of the CPCZ Central Committee Jozef Lenart, first secretary of the CPSL CC, and Peter Colotka, Slovak premier, and Josef Kempny, chairman of the Czech National Council; Miloslav Hruckovic, candidate member of the CPCZ Central Committee Presidium and secretary of the CPSL Central Committee; Viliam Salgovic, CPSL Presidium member and chairman of the Slovak National Council; and other personages.

At 1400 the participants in the assembly cordially welcomed Comrade Gustav Husak, who was one of the founding members of the illegal Slovak National Council, and other party and state representatives. After the Czechoslovak state anthem National Artist Mikulas Huba delivered part of a poem by National Artist Ladislav Novomesky: "Vila Tereza." The assembly was opened by Gejza Slapka, member of the CPSL Central Committee Presidum and leading secretary of the city party committee in Bratislava.

Then Comrade Gustav Husak unveiled a memorial tablet with a relief and the inscription: In this building the illegal Slovak National Council was founded and its program of antifascist and national liberation struggle, the Christmas Agreement , was adopted there.

Comrade Gustav Husak, along with Comrades Jozef Lenart and Viliam Salgovic, laid bunches of red flowers at the memorial tablet.

Comrade Viliam Salgovic in his speech underlined the historical importance of the foundation of the Slovak National Council and the adoption of the Christmas agreement, He said that after four decades we see the Christmas Agreement as a historical document of key importance, the principles of which form the foundation-stone of the coexistence of the Czechs and Slovaks and the other nationalities in the Peoples Democratic and Socialist Czechoslovakia and its international guarantees in the alliance with the USSR and the other countries of the socialist community. In conclusion he paid tribute to all fighters of the Slovak National Uprising, illegal workers of the party, members of revolutionary national committees and everyone who contributed to our liberation. At the same time, Comrade Viliam Salgovic expressed his gratitude to the members of the famous Soviet Army of the fraternal peoples of the USSR.

CHURCH OFFICIAL CALLS FOR PEACE, DISARMAMENT

DW271126 East Berlin Domestic Service in German 0715 GMT 26 Dec 83

[Commentary by Konsistorialpraesident Manfred Stolpe following the Christmas church service broadcast]

[Excerpts] On Christmas 1983 the peace prayer of Christians gains particular urgency in the face of a situation that has become more threatening, since new, even more dangerous weapons systems are being installed that are threatening all of us. General destruction as an option is beyond any consideration. Nuclear war no longer makes any sense, either politically or militarily. No goal could ever justify it.

Together with the World Council of Churches our country's Christian churches are convinced that God prohibits nuclear war and that He expects us to halt its preparation. What the World Council of Churches expects the governments to do is to achieve agreements under international law which will ban the possession and use of nuclear weapons as a crime against mankind. This is why expressing the Christians' desire for peace in the world on Christmas 1983 means urgently calling upon all governments for disarmament instead of rearmament, common security instead of common and certain destruction.

Along with the World Council of Churches we therefore urgently ask the governments to leave no stone unturned to arrive at an understanding through negotiations. In 1975 the churches took the Helsinki Final Act as a token of hope. They were gratified at noting that in 1983 -- in an indeed difficult period of time -- a final document was adopted in Madrid as well. Now we are placing our hopes in the Stockholm conference on confidence and security-building measures and disarmament scheduled to take place in January. It might help to start serious negotiations again.

We are grateful that various governments, including the GDR state leadership, are obviously striving for mitigating the damage caused by continued armament and that they are calling for a coalition of common sense so as to achieve negotiated solutions against armament. This will meet with the support of Christian citizens.

We urgently ask that everything be done to seek ways for securing peace. We know that the churches of other countries, including those of the FRG, join us in that plea.

BRIEFS

SOLIDARITY AGREEMENT WITH KAMPUCHEA -- A government agreement on GDR solidarity aid for the People's Republic of Kampuchea was signed in Berlin on 21 December. With the aid, financed through solidarity donations by the public, the GDR is supporting the Kampuchean people in setting up a new society, in particular in the fields of health and education. The signing of the agreement by Gerhard Weiss, deputy chairman of the GDR Council of Ministers, and Phy Thach [name as published], Kampuchean ambassador to the GDR, was attended by Werner Krolikowski, SED Central Committee Politburo member and first deputy chairman of the GDR Council of Ministers. [Summary] [East Berlin NEUES DEUTSCHLAND in German 22 Dec 83 p 2 AU]

DELEGATION RETURNS FROM USSR -- An SED delegation under the leadership of Helmut Semmelmann, head of the Central Committee's Agriculture Department, concluded a visit of several days to the USSR on Friday [16 December]. At the conclusion of its visit the delegation was received by CPSU Central Committee Secretary Konstatin Rusakov for talks about problems related to further developing cooperation. [Text] [East Berlin NEUES DEUTSCHLAND in German 17/18 Dec 83 p 2 AU]

COUNCIL OF MINISTERS APPROVES 1984 ECONOMIC PLAN

LD271939 Budapest Domestic Service in Hungarian 1730 GMT 27 Dec 83

[Text] The Council of Ministers has approved the people's economic plan for next year. Its central point is the improvement of international solvency.

In the interest of achieving these objectives, the government considers it necessary to take economic policy measures that are more lasting than those adopted before, together with moderating domestic utilization. The people's economic plan for next year envisages an increase of 1.5 to 2 percent in national income.

Industry is to increase its production by 1.5 to 2 percent next year. It is to contribute to an even greater extent to the improvement of the foreign trade balance by dynamically increasing its exports along with the manufacture of products for import substitution. In utilizing energy the proportion of domestic resources is to be increased. Imports of energy sources, with the exception of electricity, will not increase. The output of the construction industry is to further decrease. That branch is to complete 37-38,000 homes.

Taking into account this year's losses caused by the drought, agriculture will reach, and to a small extent, surpass the 1982 level. The grain harvest is to be at least 15 million tons to ensure that, besides domestic supplies, there is also enough for exports. The maintenance of the existing stock of farm animals is another goal. The food supplies of the population are to be kept at a satisfactory level and, besides this, exports are to increase.

The people's economic plan for next year expects a decline in the working age population and in the number of active workers. The shortage in the labor force, which has appeared in several areas, is to be counterbalanced by improved labor organization and an increase in labor productivity. Consumption by the population will not decrease even in the difficult economic conditions. For this reason, the plan envisages the real income of the population remaining at this year's level. There will not be any fundamental changes in wages regulation. However, a separate opportunity for the development of wages is laid down for moderating longstanding disppropportions in incomes, and the area affected by the new-type wages regulation is to further expand. On the basis of all this, average nominal incomes are to increase by 4.8 to 5 percent while social welfare benefits paid in cash are to surpass this year's outlay by nearly 12 percent.

Next year's consumer's price level is expected to increase by 7 to 8 percent. Of this some 4.5 percent is to be made up by this year's central price measures and market price changes. Next year's central price measures are designed primarily to moderate subsidies and to improve the foreign trade balance. To partially compensate for increases in the prices of staple consumer goods, there is to be an increase in pensions of less than 2,800 forints a month as well as regular benefits.

The people's economic plan for next year basically envisages considerable improvement in the foreign trade balance. It is a precondition for this that there is to be a substantial increase in the surplus of trade volume accounted in convertible currencies; there is to be a decrease in the negative balance of trade transacted in transferable rubles and imports are to remain at their present level. In the interest of achieving these goals, the plan envisages the raising of foreign loans.

To ensure the achievement of our economic policy goals, the Council of Ministers considers it important that there should be a flexible and continuous adaption to changing external and internal conditions and circumstances and it calls for the necessary decisions to be made without delay.

ECONOMIC AGREEMENTS SIGNED WITH UKRAINIAN SSR

LD232359 Budapest MTI in English 1283 GMT 23 Dec 83

[Text] Budapest, December 23 (MTI) -- Headed by Vitold Fokin, first vice-chairman of the Planning Commission of the Ukrainian Soviet Socialist Republic, a Ukrainian Government delegation visited Hungary and conducted talks on the development of technical-scientific and economic cooperation between Hungary and the Ukrainian SSR, December 19-23. During the talks the Hungarian delgation was led by Ferenc Bartha, head of the government's International Economic Relations Secretariat.

Work done so far to promote direct cooperation was discussed and several documents signed. Two agreements were signed by representatives of the Hungarian Industry Ministry and the Ukrainian Meat and Dairy Industry Ministry, and one on technical-scientific cooperation between the two agriculture ministries.

The Ukrainian delegation conducted talks with Agriculture and Food Minister Jeno Vancsa and Laszlo Ballai, head of the Economic Policy Department of the HSWP Central Committee

Deputy Prime Minister Jozsef Marjai has met Vitold Fokin. The delegation left Hungary Friday.

WARSAW TV COMMENTS ON REAGAN'S CHRISTMAS SPEECH

LDZ71927 Warsaw Television Service in Polish 1830 GMT 27 Dec 83

[Text] The Voice of America, in a Polish program, commented on President Reagan's Christmas speech in which he urged Americans to remember the alleged victims of persecution in the socialist countries. The President stated, according to Voice of America, that these people become victims of repressions not because they have committed crimes of various kinds but because they want to worship baby Jesus in peace.

When Polish listeners of the Washington station had already found out that they are being persecuted for celebrating Christmas, President Reagan dealt with another topic. Here is a quotation from the same program: "Showing patience and determination, the American nation can help to achieve peace in the Middle East and also to make Americans lives safer." Because of our duty to inform it is necessary to add to the Ronald Reagan Christmas speech that the war in the Middle East is an obvious result of the Americans and Israeli policy of expansion and that the region of the world that is so important for the safety of Americans is several 10,000 kilometers from the U.S. borders.

CZYREK ADDRESSES 10TH PCP CONGRESS 17 DEC

AU271220 Warsaw TRYBUNA LUDU in Polish 19 Dec 83 p 7

["Text" of speech by Jozef Czyrek, PZPR Politburo member and Central Committee secretary, at the 17 December session of the 10th PCP Congress; place not given]

[Text] Esteemed Comrade delegates, dear friends: expressing my cordial thanks for your invitation to attend the 10th congress of the fraternal PCP, I wish to convey to you the warm greetings and best wishes for fruitful debates in the name of the PZPR, which totals some 2.5 million members and which is the party of Polish communists, and in the name of the Central Committee and its first secretary, Comrade Wojciech Jaruzelski.

We wish to assure you of our internationalist solidarity with the struggle of your revolutionary Marxist-Leninist party and all the progressive forces of the Portuguese people to defend the working people's interests and the achievements of the April revolution of 1974. We wish to assure you of our great esteem and support for your consistent struggle for social justice, Portugal's national interests, democracy, and socialism. We highly value your party's commitment to the defense of peace and international security, which are being threatened by imperialism.

The friendly relations between our parties continue to develop and consolidate on the enduring foundations of the community of the ideas of scientific socialism and proletarian internationalism. Their cooperation in the struggle for a peaceful and progressive future of our peoples and the entire world continues to strengthen. Mutual affection, understanding, and support are its distinctive features. The visit that Comrade Alvaro Cunhal, who enjoys our people's great affection and esteem as an outstanding activist of the Portuguese and international workers movement, paid to Poland last year was a special demonstration of our relations.

We remember how your party trusted in us and gave us support in the difficult period of the struggle waged by our party and all the patriotic forces of our people to defeat counterrevolutionary dangers. Esteemed comrades, as you know our domestic and external adversaries have launched an attack against socialism in our country in the past few years, taking advantage of a particular coincidence of subjective and objective difficulties and errors. That attack has been repulsed. Poland continues to march along the road of socialist development as a firm element of the community of the socialist states and of the world forces of peace and progress, even though the pressure of domestic and international reactionaries against our country has not ceased. The U.S. economic restrictions and attempts at pressure are especially brutal.

Our party and our country will never give in to those pressures and attempts at diktat. The present anticommunist crusade launched by imperialism will share the lot of all crusades: It will be consigned to the dung heap of history.

We continue to solve our complicated socioeconomic problems through our own efforts, in an unshakable alliance with the USSR, with its fraternal economic help, and with the support of all socialist countries and the world forces of progress. We have eliminated the slump trends in our economy. This year our industrial production will increase almost 8 percent and our national income will increase slightly.

We continue to consistently implement the ninth party congress program for the socialist renewal of our national life, for struggle against difficulties and the anti-socialist adversary, for accord with all the patriotic forces of our people, and for democratic reforms of our socioeconomic system.

Implementing the ninth congress program, our party continues to strengthen its ties with the workers class and all sections of the working people. The ideological unity and cohesion of our party ranks continue to consolidate. The party continues to rebuild its leading role among the people in the interests of the working people with increasing effectiveness and in line with the aims of the development of socialist democracy.

Our patriotic and internationalist duty is to strengthen and develop socialist Poland. We are convinced that in this way we help to promote the interests of our people and enhance the forces of peace and progress.

Strengthening those forces is the prerequisite for saving mankind from the nuclear annihilation threatened by imperialist greed for world domination, the unrestrained arms race, and the intensification of conflicts and tensions in all continents -- Latin America, Africa, the Middle East, and Asia. The U.S. Administration has begun deploying new nuclear missiles in Europe, which has undermined the present balance of power and has destroyed the basis for the disarmament talks between the USSR and the United States. That is why it is now imperative that all communists and all forces of progress and commonsense wage a resolute struggle against that threat and for peace. The initiatives of the USSR and the socialist countries are of enormous importance in this connection. The imperialists are unable to understand the simple truth that man's civilization may be destroyed today, but that it is impossible to halt or push back its development. The wheel of history will not be reversed.

Esteemed comrade delegates, we have been greatly impressed by your congress. We trust that it will ensure the strength of your party in the struggle for the working people's interests, for the progressive development of your beautiful homeland -- Portugal -- for peace, and for socialism.

Long live the PCP! Long live the friendship between our parties and between the peoples of Poland and Portugal! May this friendship gain in strength! Long live peace and socialism!

OLSZOWSKI RECEIVES FRG MESSAGE FOR JARUZELSKI

AU271215 Warsaw TRYBUNA LUDU in Polish 19 Dec 83 p 2

[Text] PAP -- Stefan Olszowski, minister of foreign affairs of the PPR, received FRG Ambassador Horst Roeding at the ambassador's own request on 17 December. Ambassador Roeding handed over to Minister S. Olszowski a letter addressed by FRG Chancellor Helmut Kohl to Army General Wojciech Jaruzelski, PZPR first secretary and chairman of the Council of Ministers of the PPR.

TRADE MINISTER NESTOROWICZ BEGINS VISIT TO PRC

For XINHUA coverage of the visit of Trade Minister Tadeusz Nestorowicz to the PRC and his meeting with Chen Muhua, see the Eastern Europe section of the 23 December issue of the China DAILY REPORT and subsequent issues.

AFP: INTELLECTUALS DEMAND PRISONERS' RELEASE

OW280032 Paris AFP in English 2350 GMT 27 Dec 83

[Text] Warsaw, Dec 27 (AFP) -- Fifty-three Polish intellectuals have demanded the release of all Polish political prisoners. In an open letter in the latest edition of KOS, a dissident review considered close to the leadership of the banned trade union Solidarity, they called on authorities to pardon the detainees -- estimated officially at more than 200, but by dissident sources at many hundreds -- or dismiss the charges against them. The signatories included Jerzy Turowicz, a close friend of Pope John Paul II and editor at the Roman Catholic weekly TYGODNIK POWSZECHNY, and Maciej Szumowski, former editor-in-chief of the Krakow communist party branch newspaper GAZETA KRAKOWSKA who was known for his liberal views during Solidarity's heyday.

The letter also "strongly protested" the detention of seven top Solidarity leaders and four founding members of KOR (the Committee for Social Self-Defense) as well as a recent offer by authorities to release them on condition they emigrate to the West. Their imprisonment was "revenge on people whose main fault consists in expressing the voice of public opinion independent of the authorities and in rejecting violence as a means of resolving social conflicts," the letter said. Poland's leadership should see to it that "civic liberties as set down in human rights and citizens' rights conventions ratified by the government are respected (in Poland)," the letter said.

Official sources earlier said 24 political prisoners -- activists, but not leaders, of Solidarity -- had been released under special Christmas and New Year clemency measures. Twenty-one would have to stand trial and two were only on parole and would have to return to jail on January 6. One person serving a jail term had been conditionally freed. Reports in Warsaw also said that 917 people involved in underground activities during Poland's martial law had applied for amnesty which was proclaimed last July 21, with a deadline of October 31, and extended last month until December 31.

CEAUSESCU INTERVIEWED BY NODONG SINMUN

AU271604 Bucharest SCINTEIA in Romanian 22 Dec 83 pp 1, 6

[Text] As has been reported, on 10 December 1983 Comrade Nicolae Ceausescu, RCP secretary general and president of the Socialist Republic of Romania, received a delegation of the newspaper NODONG SINMUN, the organ of the Workers Party of Korea, led by Comrade Kim Sok-nae, deputy chief editor of that newspaper, to whom he granted the following interview.

Question: The Korean people are following with great interest the noteworthy achievements attained by the Socialist Republic of Romania in the struggle for implementing the 12th RCP Congress decisions.

We would like you to speak about the current concerns of the Romanian people in building a comprehensively developed socialist society and about their future struggle to meet the 40th anniversary of the fatherland's liberation and the 13th RCP Congress with excellent results in their work.

Answer: At this point all our people are engaged in implementing the targets of the 12th party congress and of the national conference which represents an important stage in fulfilling the party program on building the comprehensively developed socialist society.

In the first 3 years of the current 5-year plan we achieved a number of positive results in developing industry and the overall national economy. This year the growth rate in industry is about 5 percent. Although we have had a difficult year due to the drought that persisted almost until the end of the year, on the whole we have achieved an agricultural output that will ensure proper supplies for our people. The other sectors of the national economy developed, too, as did education, science, and culture -- basic factors for building a socialist society.

The November Central Committee plenum adopted the 1984 plan and provisions for the conclusion of the overall 5-year plan. The plan and the other programs have been discussed by the bodies of our socialist democracy and by the Grand National Assembly.

For 1984-85 we have envisaged a 6-7 percent industrial growth rate and an approximate 8 percent increase in national income.

At the same time we have adopted a number of measures, and we have envisaged a significant increase in agricultural production. This is based both on intensified irrigation and on land improvement, a fact that will create favorable conditions for stable crops even in bad weather conditions.

By fulfilling those provisions, we will ensure the implementation of the 12th congress decisions, and of the basic target of this 5-year plan -- namely, of proceeding to a new development stage.

We also pay great attention to matters of quality, of fulfilling the target aimed at achieving a new quality of work and life for all our people. We also want to intensify scientific research work. We have also adopted a number of measures aimed at improving education and the overall activity of cadres training and of raising the people's socialist awareness.

In the past weeks we published certain important programs on improving quality, raising the technical level, and increasing economic efficiency. We also adopted the program on more forcefully increasing labor productivity in years to come. What we have in mind is the need to achieve a forceful transformation of our overall activity by 1990, so as to reach the level of the most advanced countries from the point of view of labor productivity, efficiency, and quality.

We proceed from the fact that socialism has to demonstrate through deeds that it can and must achieve a better quality, efficiency, and productivity than capitalism.

Similarly, we have adopted new measures aimed at improving the material and cultural living standard of our people. Beginning with 1 September the decision on increasing the real incomes of all working people by some 5 percent was applied.

Thus, we will meet the 40th anniversary of the victory of the revolution of the anti-imperialist, antifascist, national, and social liberation and the 13th party congress with new achievements in all fields and with the firm determination to ensure the resolute implementation of the program of building the comprehensively developed socialist society.

Among these achievements, an important place is held by the implementation of the programs on more forcefully developing the energy and raw material basis to strengthen the country's energy self-sufficiency. We have recorded a higher energy consumption than last year; energy consumption increased more than energy production. The drought led to a number of difficulties in the energy sectors, too, because we are unable to achieve 1,200-1,500 megawatts per hydropower plant. However, we have adopted measures aimed at more intensively using coal or hydrocarbon-operated power plants.

We have also taken measures to cut back on nonproductive energy consumption. Next year we will already cover some 94-95 percent of energy requirements from our own resources. This will make it possible for us to implement the program on ensuring our country's energy self-sufficiency in the next 2-3 years at the latest.

Question: The Korean people know very well that the RCP and the Government of the Socialist Republic of Romania, headed by you, are promoting a sovereign and peace-loving foreign policy.

We would be grateful if you would describe the current main directions in your international activity.

Answer: A particularly serious state of tension has been reached in the international arena. One can state that ever since the end of World War II the situation has never been this serious. This is the direct result of the intensified arms race, primarily of the nuclear arms race, of the deepening of contradictions at the international level between various states and groups of states, and a result of the policy of maintaining and redividing the spheres of influence, of resorting to the use and threat of force, and of brutal interference in the domestic affairs of other countries.

At the same time, the economic crisis -- with its general implications, moral and political -- has deepened, and the situation of the developing countries has worsened considerably.

Proceeding from this, we believe that the basic problem at this point is to halt the arms race and to proceed to disarmament, primarily nuclear disarmament, and to ensure a lasting peace throughout the world. We believe that the struggle for peace is the basic factor today to guarantee the peoples the possibility of focusing their efforts in the direction of socioeconomic development and of improving each people's material and cultural well-being.

I would like to make special mention of the particular aggravation of the situation in the past weeks following the deployment of U.S. intermediate-range nuclear missiles in certain West European countries.

In response to this, the Soviet Union decided to interrupt the Geneva negotiations and to adopt certain retaliatory measures regarding the deployment of nuclear missiles in certain European socialist countries and in other parts of the world. The deployment of the new missiles will lead to considerably increasing the danger of a nuclear war, a nuclear catastrophe that threatens the very existence of life on our planet.

Therefore, we believe that everything must be done at this point to halt the deployment of the new U.S. missiles, to put a halt to retaliatory measures announced by the Soviet Union, and to bring about the resumption of the Geneva negotiations, so that an acceptable agreement is reached that will ensure a balance of forces between the two sides at the lowest possible arms level and that will open up the road to cutting back and completely eliminating all kinds of nuclear weapons in Europe and throughout the world.

At the same time, Romania firmly advocates the solution of all disputes between countries by negotiations alone. No matter how long or difficult such negotiations may be, they are the only secure alternative that can avoid a war with all its consequences.

We act to achieve a new international economic order, to strengthen solidarity and cooperation among all progressive and anti-imperialist forces.

Romania is developing broad international relations with all the socialist countries and firmly advocates the surmounting of differences, strengthening solidarity and cooperation with those countries. We believe that this will be of particular significance for the assertion of the principles of socialism, for increasing the role played by socialist countries in the international arena, and for the policy of peace and cooperation among all world states, irrespective of social system.

We are also expanding relations with developing countries and with the nonaligned countries as part and parcel of the struggle against the imperialist and neocolonialist policy. We also act to expand cooperation with the developed capitalist countries and with all countries in the world, irrespective of social system.

Romania firmly advocates the application of the principles of equality, respect for national independence and sovereignty, noninterference in internal affairs, and mutual advantage.

We are also developing cooperation with the communist and workers parties, with the socialist and social-democratic parties, and with all democratic parties and forces. We believe that this cooperation is of great importance in the current international circumstances.

We attach great significance to people's struggle for peace and to the large-scale movements of late for peace and disarmament, and against war.

We are firmly convinced that the peoples, the progressive, and anti-imperialist forces have the necessary strength to halt the dangerous trend of international events toward a precipice, to impose disarmament and primarily nuclear disarmament, and to ensure the peoples' right to free and independent development, and their right to peace.

Within this framework, I would like to mention with great satisfaction that as concerns major problems in the international arena, our parties and countries hold identical or very close positions, that our countries and peoples are cooperating very closely, and that they are contributing to resolving the complex problems in the international arena in the interests of socialism and of peace.

Question: The RCP, the Government of the Socialist Republic of Romania, and particularly you personally, esteemed Comrade Nicolae Ceausescu, have always supported and been in solidarity with the cause of our people to reunite the fatherland. Our people are grateful for this.

At this point the danger of a nuclear war in the Korean Peninsula is increasing with every passing day, because of the aggressive actions and actions of unleashing a war taken by U.S. imperialism and by the South Korean puppets, actions which are intensifying, especially close to and after President Reagan's visit to South Korea.

Very esteemed Comrade President, what is your opinion of such events, in the Korean Peninsula, and what kind of problems have to be solved to achieve an independent and peaceful reunification of Korea?

Answer: Romania has always supported the struggle for the peaceful reunification of North and South Korea. We have hailed and supported and we actively support the proposals made by Comrade Kim Il-song on the reunification and the achievement of an independent, peaceful, and democratic Korea. The tension of late in that area and the increased danger of a nuclear war are a direct result of the general tension in the international arena.

Taking all this into consideration -- as I have already mentioned -- it is necessary to intensify efforts to halt the worsening of the general world situation, to put a halt to aggressive actions in the Korean Peninsula, and to achieve a withdrawal of foreign troops from South Korea; and it is necessary to intensify actions to peacefully resolve -- between the two sides -- the problem of the reunification of the Korean people, without any outside interference.

According to our view, in the current circumstances it is necessary to intensify political and diplomatic activity and to seek ways and means to proceed to direct negotiations between the two sides in Korea.

As I have mentioned, the proposals made by the DPRK and by Comrade Kim Il-song constitute a positive basis in this direction. The only means to achieve those proposals are those of direct negotiations between the two sides.

We will continue to grant our full support to fulfilling the Korean people's aspirations, and we will resolutely struggle against any aggressive actions against the DPRK.

We are firmly convinced that it is possible to achieve a peaceful reunification of Korea and that this will be achieved.

Question: The relations of friendship and cooperation between the two parties, countries, and peoples of Korea and Romania are constantly strengthening and developing toward a new and higher stage. The historic meetings and talks that have taken place between the great leader of our people, Comrade Kim Il-song, and the beloved and esteemed leader of the Romanian people, Comrade Nicolae Ceausescu, as well as the joint documents adopted on those occasions constitute a solid basis designed to excellently develop relations of friendship and cooperation between our two countries.

We would like you to speak about the prospects of Korean-Romanian relations of friendship and cooperation.

Answer: I would like to mention with great satisfaction the positive relations of solidarity, friendship, and cooperation between our parties, countries, and peoples.

Indeed, Romanian-Korean cooperation has been developing constantly -- and this stems from the common position we hold on many problems of socialist construction and in the international arena, and it stems from the policy promoted by our parties aimed at independent development, at cooperation with other socialist parties and countries based on the principles of full equality and of independence.

An important role in developing cooperation between our parties and people was played by the meetings and talks with Comrade Kim Il-song, the establishment of relations of friendship between us, which was of great significance for positive cooperation and for strengthening solidarity between our parties and peoples.

On this basis and taking into consideration our countries programs on socioeconomic development in the coming period and the general policy promoted by our parties and countries to resolve world problems and those of socialist construction, I believe that excellent prospects exist to constantly expand Romanian-Korean cooperation and friendship.

There are favorable conditions for expanding economic and scientific-technical cooperation, this being of great importance for the development of our countries and also constituting an important contribution to the cause of socialism, cooperation, and peace in the world.

We greatly value the successes achieved by the friendly Korean people, under party leadership headed by Comrade Kim Il-song, in the building of socialism, and I want to extend wishes for increasingly greater successes to the Communists and all friendly people in the DPRK on their road to socialist development and to achieving their aspirations for a peaceful reunification; I wish them great prosperity and happiness.

CEAUSESCU CHAIRS EXECUTIVE COMMITTEE MEETING

AU271923 Bucharest AGERPRES in English 1839 GMT 27 Dec 83

[Text] Bucharest AGERPRES 27/12/1983 -- A meeting of the Executive Political Committee of the Central Committee of the Romanian Communist Party was held on Tuesday, December 27, under the chairmanship of Nicolae Ceausescu.

A report was examined on the way in which measuring instruments and automation means were employed, maintained and ensured in economic and social units in 1982 and in the first nine months of 1983.

The Executive Political Committee set measures providing for the faster development of industry and of the microproduction of measuring instruments and automation means, the manufacture of qualitative superior apparatus with performances at the current level of top technology. It was stressed that the activity should be revised and improved of standardizing the production of measuring and control instruments in accordance with the operating stress of the respective apparatus, with the specific demands of various branches of the national economy. Moreover, it was indicated that a programme of measures should be worked out for the manufacture in the country of measuring and control apparatus as well as for an appropriate organization of workshops for the repair of like apparatus.

It was stressed that exigency and highest sense of responsibility should be shown in metrological testing, repair, maintenance and exploitation of measuring instruments in economic and social units and the necessary technical-material conditions be provided for the smooth run of metrological activities in those units.

The Executive Political Committee analysed and approved a report on the balances of the main farm-food produce obtained from the 1983 crops.

It was assessed that despite more difficult weather conditions this year, the working people in agriculture managed to ensure an appropriate supply of the population with farm-food produce in accordance with the self-sufficiency program as well as to meet other requirements of the economy.

The Executive Political Committee set measures for a proper administration and utilization of the farm-food produce obtained this year, for the implementation of the programs approved by the national conference of the RCP regarding the satisfaction of the economy's needs as well as the population's consumption requirements. To this end it was recommended that a series of regulations should be studied and elaborated to provide for an even greater contribution of the population's farmsteads to the setting up of the state central stock with meat, milk, poultry, eggs and other agricultural products.

The Executive Political Committee approved a program for the participation of Romanian foreign trade enterprises in international economic exhibitions over 1984-1985 and the organization of an exhibition of achievements in the national economy in 1984. The special importance was highlighted of further expanding Romania's international collaboration and cooperation with the other states, as well as the necessity of working so as to make the country's foreign trade activities develop powerfully.

The importance was also stressed of carrying through the export set and of obtaining high-quality and high-tech productions. The program envisages Romania's participation with pavilions and commercial offices in international exhibitions to be organized in the afore-mentioned period as well as in exhibitions arranged in the country.

The Executive Political Committee on the Romanian Delegation's Participation in the Preparatory Meeting in Helsinki

Gathered on December 27 under the chairmanship of Nicolae Ceausescu, the Executive Political Committee of the CC of the RCP examined and approved the report of the Romanian delegation who attended the proceedings of the preparatory meeting of the conference on confidence-building, security and disarmament in Europe held in Helsinki over October 25-November 11, 1983.

The Executive Political Committee considered that the Romanian delegation had worked according to the mandate entrusted to it for the adoption by the preparatory meeting of resolutions to lay the bases of an efficient framework of negotiations, in the spirit of those agreed upon at the Madrid Conference. On the occasion, the Executive Political Committee reasserted Romania's resolve to make her full contribution and work, alongside the other states, so that the meeting due in Stockholm in January yield results up to the European aspirations for the achievement of a passage to disarmament, to nuclear disarmament in the first place, for confidence-building and security on the continent, for a united Europe, free of nuclear weapons, a Europe of peace and collaboration among all state, irrespective of social system.

Full Approval of the Results of the Romanian-Hellenic Summit

An account of the visit of friendship Andreas Papandreou, Prime Minister of the Hellenic Republic, paid to Romania on December 17 and 18 was read during the meeting of the Executive Political Committee of the CC of the RCP held on December 27 under the chairmanship of Nicolae Ceausescu.

The Executive Political Committee fully approved of the results of the recent Romanian-Hellenic top-level dialogue, which proceeded in an atmosphere of warm friendship, mutual understanding and esteem, and pointed out that it opened broad prospects for the development of the long-standing relations between Romania and Greece, in the interest and for the benefit of both countries and peoples, of the cause of international peace and collaboration.

The Executive Political Committee was highly appreciative of the joint declaration of the president of the Socialist Republic of Romania, Nicolae Ceausescu, and of the prime minister of Greece, Andreas Papandreou, stressing that it was a highly significant document for the efforts towards preventing the deterioration of the international situation, especially in Europe, as an outcome of the arrival of the new U.S. medium-range nuclear missiles in some European states which led to the breaking off of the Soviet-U.S. negotiations in Geneva, to the announcement of nuclear countermeasures by the Soviet Union.

The Executive Political Committee expressed its full approval of the stand set forth by President Nicolae Ceausescu and Prime Minister Andreas Papandreou who declared for a stop in the deployment of the new U.S. nuclear missiles and, at the same time, in the implementation of the nuclear countermeasures announced by the USSR, for the resumption of negotiations to the end of reaching an accord conducive to the reduction and, eventually, to the scrapping of all medium-range nuclear missiles, for a nuclear-free Europe.

The importance was stressed of the opinion expressed by Romania's president and the Hellenic premier that, in order to prevent the deterioration of the situation on the continent and the world over, all the European countries, particularly the countries in the membership of the two miliary blocs, should take a more active stand and contribute, in one form or another, to achieving appropriate accords. The fact was highly appreciated that, although they belonged to different military blocs, Romania and Greece firmly believed that the prevention of a nuclear war should be a priority task for all peoples.

The Executive Political Committee was highly appreciative of Romania's and Greece's determination, expressed in the Declaration, to do everything possible, alongside the other states, to prevent the situation on the continent and the world from worsening, halt the arms race and induce a passage to disarmament, nuclear disarmament in the first place, to broadly promote a policy of peace, independence, international security and understanding.

The Executive Political Committee highlighted with satisfaction the reiteration of Romania's and Greece's resolve to further make efforts, alongside the other states in the region, for the development of collaboration among all Balkan countries, for the transformation of the region into a zone of peace and cooperation, free of nuclear weapons. In that context the particular importance was emphasized of the convening of a Balkan summit which would positively bear on the international life.

The Executive Political Committee approved of the conclusions reached during the talks between President Nicolae Ceausescu and Premier Andreas Papandreou and set measures for carrying them into effect, for steadily expanding and deepening the relations of friendship and cooperation between the two countries and peoples.

BRIEFS

TRADE AGREEMENT WITH CUBA -- Havana AGERPRES 20/12/1983 -- A protocol was signed in Havana concerning the exchanges of goods between the Socialist Republic of Romania and the Republic of Cuba in 1984. The protocol provides for an important growth in the mutual deliveries of goods as compared to 1983. [Text] [Bucharest AGERPRES in English 1850 GMT 29 Dec 83 AU]

REPORTAGE ON DOLANC'S OFFICIAL VISIT TO GREECE

Holds Talks With Greek Leaders

LD162234 Belgrade TANJUG Domestic Service in Serbo-Croatian 1641 GMT 16 Dec 83

[Text] Athens, 16 Dec (TANJUG) -- Greek Prime Minister Andreas Papandreou today in Athens received a delegation of the Federal Secretariat for Internal Affairs led by Federal Secretary Stane Dolanc, and had lengthy, friendly and open talks with him. It has been learned that views were exchanged on the current international situation and bilateral issues. In this context, the significance of the cooperation between the ministries of internal affairs to further develop good-neighborly and friendly relations between the two countries was stressed. Both sides also stressed the very positive development of good-neighborly relations and they noted that many untapped possibilities still exist to enrich the contents and expand Yugoslav-Greek cooperation in every field.

Federal Secretary Stane Dolanc had a 2-hour talk with his host, Public Order Minister Ioannis Skoularikis, on cooperation between the two ministries, particularly in combatting crime. The following also took part in the exchange of views: Mirko Bunevski, deputy federal secretary for internal affairs; Slobodan Filipovic, republican internal affairs secretary of the Socialist Republic of Montenegro; and Rajko Vasiljevic, head of administration at the Federal Internal Affairs Secretariat. The delegation of the Federal Internal Affairs Secretariat visited the Greek police command in Athens where it was shown how the modern electronic information center worked.

Federal Secretary Stane Dolanc and members of his delegation also had talks today with Greek Interior Minister Yeoryios Yennimatas, whose ministry deals chiefly with issues of decentralization, organization and development of local authorities and state administration. Dolanc informed ministry officials in great detail about the development of the Yugoslav socialist self-managing system and about the internal situation in Yugoslavia. Stane Dolanc also had talks with Melina Merkouri, Greek minister of culture and science, on issues of interest to the two countries and on decentralization in the sphere of culture to which great significance has been attached in Greece since the Socialists came into power. In the next 2 days until the end of the visit, Stane Dolanc and his delegation will visit several institutions and services of the Ministry of Public Order in the interior of Greece.

Returns Home, Views Talks

AU191735 Belgrade Domestic Service in Serbo-Croatian 1400 GMT 19 Dec 83

[Text] Stane Dolanc, federal secretary for internal affairs, returned to Yugoslavia after visiting Greece for a few days. Upon arrival, Stane Dolanc gave a statement to Skopje radio from which we carry the following:

[Begin Dolanc recording] We discussed at length common security problems. We are situated in such an important geostrategic region in Europe -- in the Balkans. One can see that all those world problems and crises have been directly coming closer to Europe. There is the problem of Cyprus, which is especially topical for Greece and also for us. There is also a number of other problems between our two countries and it is important for us and for them that these problems be solved. I can say that the Greek Government, Prime Minister Papandreou -- and we have met four other ministers -- have all expressed the same desire for cooperation. We are sure that the Greek Government has certain problems, including economic problems, as we have, and that in such times we must cherish all the more the good-neighborly relations in all fields. [end recording]

LCY CENTRAL COMMITTEE PRESIDIUM MEETS 27 DEC

LD272225 Belgrade TANJUG Domestic Service in Serbo-Croatian 1820 GMT 27 Dec 83

[Text] Belgrade, 27 Dec (TANJUG) -- At today's session of the LCY Central Committee Presidium, chaired by Dragoslav Markovic, the current ideo-political tasks of the LC were examined, particularly of the LCY Central Committee and Presidium. The ideo-political tasks examined pertained to the work program of analyzing the functioning of the political system of socialist self-management, adopted by the Federal Council for Questions Relating to the Social Order. The opening report was delivered by Milan Kucan, member of the LCY Central Committee Presidium.

The 12th LCY Congress indicated the need for consistently implementing and developing further the socio-political system of socialist self-management and the need for constant critical analysis of the whole of its functioning, as well as some of its institutions and mechanisms. In line with these standpoints and assessments, it is reported, the LCY Central Committee Presidium, at a session held on 19 October 1982, set in motion an initiative for this work to be organized in the Federal Council for Questions relating to the Social Order.

At today's session the LCY Central Committee Presidium stressed the need for all-round involvement of the members and organs of the LC in the consistent implementation and further development of our socio-political system of socialist self-management. It is necessary to monitor in an organized and critical manner and to study from the Marxist standpoint the entirety of its functioning and its individual institutions and mechanisms so that it adjusts more quickly to self-management production relations and so that their further development are stimulated. The critical analysis of the functioning, improvement and further development of the political system was an essential and real need for our system of socialist self-management. This need also derives from the implementation of the long-term economic stabilization program, which also encroaches on the sphere of political relations. In this connection the Presidium pointed in particular to the assessment contained in the long-term economic stabilization program that our society can successfully overcome the present difficult and complex economic problems only through the consistent realization of the constitutionally defined position of the worker in associated labor. This assessment indicates the direction of action, which should be in the creation of conditions for the fast and stable [words indistinct] and for the further development of self-management; socio-economic relations, and relations of political democracy suited to them.

Proceeding from this statement, the LCY Central Committee Presidium stressed that the Constitution and the Law on Associated Labor created the normative institutional preconditions, for the development and consolidation of socialist self-management production relations, whose essence lay in the workers' democratic decisionmaking on the conditions, means, and results of labor. It is on this basis that the system of socialist self-management and its relations and political institutions has developed. Despite the undeniable results achieved, the realization of the constitutionally confirmed relations has met with numerous difficulties and also open resistance from certain social forces and agents of etatist and monopolistic decisionmaking in economic and social life. There is inconsistency and sluggishness in efforts to realize the essential constitutional orientation whereby workers, on the basis of their right to control the social means, are the real and direct managers of current and past labor in the basic organization of associated labor, and through it in all other forms of labor and means association. This has been one of the basic weaknesses in the development of socialist self-management relations and the development of material production forces.

Only on the basis of this is it possible to find and suggest valid answers regarding the direction in which the political of socialist self-management should be directed and developed and, in keeping with this, find solutions which would stimulate the realization and further development of socialist self-management production relations. The Presidium stressed that unity of views and action in the LC is of crucial importance to the successful realization of the tasks and goals of the analysis. As the leading ideological and political force in society the LC must openly confront the problems appearing in the socio-economic and political system and direct the whole of social activity so that, in an effort to realize the working class goals and orientations of our society, relevant solutions should be found to perfect the system.

As a result of this, the acitivity by powerful remnants of state ownership and group-ownership relations in many sectors of reproduction became strong and the anti-self-management conduct in society was encouraged. Certain instruments of the economic system and measures of economic policy failed to contribute to efforts towards workers in basic and other organizations of associated labor becoming the real basic subjects of our economic and political system over the last few years. All this hinders the process of the self-management integration of associated labor, weakens the system of government by the working class and of its integrational functions, and prevents the goal of the whole organization of society being expressed as the organization of freely associated producers from being realized.

Since deviations and deformations in the development of production relations did not derive primarily from weaknesses and underdeveloped aspects of the political system itself, they could not be removed merely by corrections or developing the systems institutions and mechanisms. This meant we had to examine and analyze the practice of individual institutions and segments of the political system with a view to establishing the real causes of many problems and deformations in its functioning. This discussion had to take into account the fact that the process of realizing socialist self-management is unfolding in concretely defined historical conditions, within material and other limitations and in an objectively given context of social forces. Under these conditions we succeeded in realizing and preserving many goals and values of our revolution.

Any deviation from our strategic orientations would jeopardize everything we had achieved in the form of concrete historical experience in constructing our own path to socialism. For this reason we needed efforts in realizing, improving, and developing the political system that would open up prospects for socialist self-management and prevent tendencies towards reviving state socialism and restoring bourgeois, parliamentarian democracy.

In a critical and creative discussion the starting point had to be the LCY program, constitutional goals, solutions and intentions, and the fact that the Constitution was an expression of our society's revolutionary experience in defining its own path to socialism and was also an integral program for escaping from the etatist concept for its ordering. In this connection the LCY Central Committee Presidium stressed that an analysis had to help ensure the consistent realization of those constitutional precepts and principles which set out the right of the worker to control the fruits of his present and past labor, to direct social accumulation according to his own and society's needs and to solve structural and other discords in the development of material production forces in a unified Yugoslav market. It is necessary to establish what in real socio-economic relations is hindering the realization of these rights. Likewise, an analysis had to help realize the constitutional principles and solutions ensuring national equality and the rights and responsibilities of the socialist republics and provinces to look after their own development and that of the Federation.

At the same time, well-argued criticism had to be applied to what had shown itself to be a brake or obstacle to the fuller and more consistent realization of constitutional principles and the strategic orientations in the building of a socialist self-management society and the federal character of the Yugoslav multinational community, so that every worker, working man and citizen, and all the nations and nationalities might realize their constitutionally confirmed rights, obligations and responsibilities in associated labor and society as a whole.

The Presidium stressed in particular that it is necessary, on the basis of scientific research, for the discussion, which is to be directed and led by the Socialist Alliance and the LC in accordance with their role and responsibility, to establish the real causes for the weaknesses and disruptions manifested in the political system. In this activity, the LC must take a decisive stand against all those views, concepts and suggestions, in considerable evidence, which do not proceed from the ideological and class foundations of our society and which do not promote the development of socialist self-management or consolidate the federal character of our multinational community.

In the present conditions of the struggle for the development of socialism in Yugoslavia and further afield in the world, this activity by the LCY is of strategic importance and necessary to the further revolutionizing of the position of the working class and working people. Only through such creative and committed action can the subjective forces and, in particular, the LC successfully direct social trends and determine the directions and content of the revolutionary changing of reproduction relations and relations in society in general.

The LCY Central Committee Presidium stresses that more intensive and coordinated work must be done in critically analyzing the functioning of the political system of socialist self-management. Above all, this activity has to unfold in an organized manner within the framework of the SAWPY through actions, public tribunes and other forms of activity. Members, organizations, and organs of the LC have to be actively involved in these discussions and press for solutions which will contribute to the more successful and consistent functioning of the political system of socialist self-management.

The LCY Central Committee Presidium will actively monitor the course of the discussion and brief the LCY Central Committee on it, the report says.

ASSEMBLY MEETS, ADOPTS ECONOMIC RESOLUTIONS

Planinc Report

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["Milka Planinc Report in the SFRY Assembly" -- TANJUG headline]

[Text] Belgrade, 27 Dec (TANJUG) -- The resolution on the SFRY's socioeconomic development and economic policy in 1983 which the SFRY Assembly is to adopt today together with other documents, has quite a specific nature. This is not a usual resolution on implementation of the medium-term social plan of development. It defines Yugoslavia's economic policy in 1984 and also the direction of overall socioeconomic development which should represent the first stage of implementation of the long-term program of economic stabilization.

To put it as briefly as possible, it is essential at this stage to ensure consolidation of the economy and of our economy's overall relations in the direction of further development of self-management in conditions of the operation of objective economic laws and market criteria, and of normalization of development conditions with regard to those structural changes of our economy which will be carried out in the second phase of implementation of the long-term program of economic stabilization. Basically, individual phases of the realization of the stabilization program cannot strictly speaking be separated. What is involved is, in fact, changes in the situation and in the relations which are unfolding in a general process and not only in the context of a number of institutional moves which should mature by the end of 1985 or 1986. Besides, although the main changes in economic structure belong to the second phase, certain structural changes in our economy are already under way. Accordingly, it is essential that continuity and synchronization in changing these relations should be ensured in the context of efforts made by our entire economy and society; it is less important whether implementation of the first phase of the stabilization program will coincide with the first year of the next medium-term period, or whether the entire next medium-term plan will be defined as a plan of structural changes along the line of implementation of the second phase of that program.

Also, the stabilization process will not begin on 1 January 1984 because it is already under way and because the first changes started to get under way immediately on the adoption of the starting foundations of the long-term program of economic stabilization. In this respect 1983 has produced certain results which are all the more valuable because they were achieved in the still completely unfavorable conditions prevailing in international economic relations and also in such domestic conditions in which, on one hand, complete conditions relative to our system and consistently along the line of the adopted program did not exist and, on the other hand, material conditions were overextended, reserves exhausted, and the scope for maneuver reduced to the utmost.

Results achieved in the balance of payments in 1983 are most important from the point of view of necessary change with regard to our country's foreign liquidity and to restricting the impact which this liquidity has on the pace of economic operations in our country. In the first place, according to latest estimates, our foreign balance deficit (including the trade deficit with the convertible currency area) will be kept within the $100-150 million limit, and, according to present developments, any possible changes regarding this forecast should be in a positive direction rather than in a negative direction. In our convertible currency area trade, in relation to last year, this represents an improvement of about $1.3 billion. This result is better than the most optimistic forecasts in mid-1983, and is all the more important because the improvement of our balance sheet in relations with the convertible currency area was not based only on reduced imports, which is what happened during the preceding years, because an equal role in this respect was played by increased export.

An equally important result in the area of economic relations with foreign countries is the fact that this year Yugoslavia has routinely met its obligations concerning both the interest and that part of the capital not covered by the arrangement to refinance the capital. In addition, the process of reduced foreign currency reserves of our country has been halted. In view of the fact that in the course of this year our short-term debt will be reduced, which consists of the fact that the decline of confidence in Yugoslavia's credit ability has been halted, and a climate created in which a process of moderate return of confidence can begin,conditions have been created whereby we can change from a policy of deficit to a policy of surplus in our balance of payments. The result will be that as early as next year a further increase in the state of our debt will end and a process will begin reducing the degree of the relative indebtedness of our country.

The other important result in 1983 is the fact that during the year the trend of production decline and of overall economic activity was interrupted. True, in 1983 viewed as a whole, there has been no increase in social product in relation to the situation last year, but in mid-1983 a growth tendency was reestablished -- following stagnation and even a slump in production lasting more than 1 and 1/2 years.

Although this is a modest increase (one may calculate on industrial production in the whole of this year exceeding that of last year by rather more than 1 percent), it is important as a requisite point of departure for economic activity in 1984. It should be emphasized here that of the large number of countries which have got into solvency difficulties, few of them have managed to avoid any fall in production and employment. At the same time, certain changes have been put into effect in the structure of production, primarily in reducing import dependency in reproduction. The more difficult part of structural changes remains to be set in motion in a more decisive manner: namely, increasing and linking production based on well organized and economically successful expansion of exports.

A certain degree of adaptation of internal consumption had to take place in order to improve results in the balance of payments and in order to settle obligations toward foreign countries regularly, and the chief condition of this adaptation was a real fall in internal consumption. In the structure of domestic final demand the share of investments in basic funds has been reduced and the share of joint and general consumption is declining, which means that the overall fall in domestic demand was concentrated on these categories. However, the problem of stratification of living standards was created in regard to personal consumption. Although overall consumption by the population was only slightly reduced, real personal incomes per person in work fell by more than 10 percent. Including the fall of real personal income over the previous 3 years, their total fall in the period 1980-83 amounted to about 25 percent, such that personal incomes have been brought to the brink of social tolerance and to a level beyond which motivation for work and raising labor productivity is lost. On the other hand, there has been an increase in the standard of living of that section of the population whose living is not founded upon personal incomes from a regular labor relations: This indicates that the competent organs in the republics and provinces, and in municipalties are late in making changes in taxation policy, which by appropriating a larger share of that part of income would reduce excessive pressure on demand and would establish more balanced and more just distribution of the burden of stabilization.

At the end of this summary of the most important results of economic policy in the year which is coming to an end, one cannot overlook the fact that serious disruptions in supplies have been a distinguishing feature of the state of our economy. Delays and bottlenecks in the reproduction sphere as well as disruptions in supplies of the most essential goods to the population have both had their effects in this. In spite of the fact that the balance of payments and regular implementation of obligations toward foreign countries were priority tasks of economic policy, it may be stated that significant progress has been achieved in regard to more regular supplies to the economy and the population. Even when exceptional difficulties concerning supplies of electricity at the end of the year are taken into consideration, the overall state of affairs concerning supplies at the end of this year can be considered to be significantly better than at the beginning of the year, although we are still far from being able to regard it as satisfactory and normal.

The price of these results is high, and at some points it is even very high. The fall in real personal incomes has already been mentioned.

It is impossible, however, to carry out the policy of turning toward an export orientation, toward the country's foreign liquidity, and toward executing those structural changes that will ensure that such things become permanent characteristics of the Yugoslav economy -- nor could this process even be started without at the same time initiating in a determined manner the process of redistribution of income in those directions which should ensure such changes, and without starting to introduce into our economic dealings more realistic value-criteria both in comparison with the world economy and in evaluating overall economic activity in the country. What is intended here is, above all, the policy of a real dinar exchange rate and the policy of interest rates as well as other aspects of economic policy intended to have the same effect. Economic policy measures operating in just one way, of course, do not exist. Every economic policy measure has negative or undesired effects alongside positive and desired effects. It is an illusion to expect that one can find an optimum combination of measures such as would give rise to positive effects alone. When I say this I do not thereby assert that every economic policy move was ideally measured, especially in regard to quantitative dosage. The orientation was clear but there were many unknown factors and vacuums in weighing up certain decisions, given that not all systemic conditions for the optimum solutions were provided for that, and given also that finding such a solution meant not only technically calculating some sort of optimum at a macro-level, but it also meant finding a solution which would to a reasonable degree reconcile the sometimes differing interests of individual economic subjects, and of the republics and autonomous provinces, and which would thus represent their joint interest.

Probably the heaviest price paid this year -- on the one hand to this redistribution and on the other hand to the reduced but still open possibility to spend in excess of income, by anticipating future income, and to the inconsistent taxation system which is still turned mainly in the direction of fiscal and not economic objectives -- was the acceleration of inflation which at the end of the year attained a rate of 50 percent. This is the biggest burden to be inherited in 1984 by our economic policies. What happens is that, accurate as it may be that inflation is the result of all the developments and relations in the economy (and, accordingly also the result of mounting expenditure on the one hand and of imbalanced expenditure on the other hand), at this point in time something has to be done through the direct impact of the price policy because this high rate of inflation in effect represents an uncontrolled redistribution of money of great proportion in which it is impossible to carry out any rational changes in our economic operations. This refers especially to the need to adjust internal price disparities created over a period of many years and which have brought about serious disproportions in production structure and in the structure of expenditure with the recurrent effect of these disproportions on the unceasing feeding of inflation. It has been clear for years that our economic policy must carry out this operation, but it is difficult to bite into this green apple, and even more difficult to establish the other necessary economic conditions so that the effect of this operation may not be canceled out by the further development of events. It is clear that, if this happens, the force of circumstances leads to a constantly arbitrary distribution of prices by the state or by parastate organs and there is no way out of the vicious circles. As a result the self-management subjects, as commodity producers, are deprived of the key link which predetermines their economic position and their conditions of work. Besides, they behave according to these conditions. They address themselves to the organs which fix the prices, keep showing what their expenditure is and exercise pressure on increased prices instead of turning toward their reciprocal relations depending on the degree of dependence in the process of production and the economic criteria of the world and domestic markets as an objective criterion of work.

The Federal Executive Council [FEC] assesses that without substantial changes in the area of price policy, both as regards the subjects that fix them and with regard to the method and criteria they are fixed, there are no basic conditions for implementing this stabilization program and this means there are no conditions either for changes in the sphere of social relations in the direction of further consolidation of the role of producers in reproduction, or for decisive changes in material conditions which must establish themselves under a significant impact of objective economic laws. We are aware of the fact that these most complex problems of our economy can not be resolved only by moves in the sphere of price policy in the strict sense of the word, and that this must be part and parcel of a comprehensive synchronized program aimed at eliminating resolutely the deeper causes that engender inflation. It also means these big changes cannot be carried out at once in accordance with plans calculated in an institute or in a laboratory, because what is at stake are changes which change the position of many organizations of associated labor and of living people. We are also aware that we must tackle this although we know that it cannot be carried out as if it was a painless operation which will not alarm or shake anybody. The reason these moves are initiated is that every development and production program and every aspect of economic and business operation can be under the most direct impact of objective economic criteria. In additon to making the evaluation that we have to get to grips with this method we also made the assessment that the most necessary conditions are at hand so that the measures which we are undertaking will not be only partial moves without a clear objective and outcome.

The over-extension of all balance sheets, enormous deficits, and conspicuous illiquidity are the special characteristics of our economic life. Unless these problems are overcome there is no curbing the inflation, or removing the cost pressure on prices. The tasks of financially consolidating the economy and the banks emerge as the first step in solution of these questions. Changes in the area of monetary-credit, banking and accounting systems and of the monetary-credit policy represent essential conditions for implementing not only the intended changes in prices parities but also of the stabilization progrm as a whole. It is evident that these matters are not simple and cannot be dealt with smoothly. This is demonstrated by the many years of work of the special commission of the federal social councils dealing with these issues. However, this proposal was recently completed. The FEC commission responsible for the implementation of the stabilization program has made the assessment that this is a good point of departure for practical elaboration of concrete solutions regarding the initiation of this big and extensive business on financial consolidation of our economy.

In order to make the guidelines of the Commission of Federal Social Councils operative, the FEC and the organs of the federation will draw up specific proposals for changes in the monetary and credit and banking system and policy. The FEC will also examine and work on all other proposals aimed at establishing the real value of social funds and the way to relieve the economy of many burdens of imputed income [fiktiva] in order to create real conditions for introducing harsh economic criteria in economic dealings. The all-embracing and thorough debate in the FEC Commission for Implementation of the Stabilization Program, however, demonstrates unambiguously that the essential and most profound causes of the state of affairs in our economy lie in the many irrationalities and low labor productivity both in manufacturing and in the overall social organization. In connection with the financial consolidation of the economy and the banks, the drafts of the corresponding laws have been submitted to the SFRY assembly (on converting part of the short-term bank credits to organizations of associated labor from primary issue into long-term credit for working capital, and on ensuring working capital for associated labor, and the amendments and addenda to the law on reserve funds). The law recently adopted on the sequence of payment of obligations of organizations of associated labor serves the same function.

The changes in the clearing system that are being worked on in the SFRY Assembly should help to implement the principle of expending only realized income. These changes should therefore ensure that only realized income is distributed and should thereby make it impossible to expend income in anticipation. All this also relates to investment expenditure, where numerous measures have also been taken to prevent anticipated investment expenditure. The aforementioned law on providing working capital is aimed at ensuring that permanent working capital is treated the same as investments in basic funds and at preventing new investments until permanent funds are guaranteed from long-term sources. The proposed law is to regulate disposal of working capital in organizations of associated labor as a whole, so that basic funds, long-term demands, and permanent working capital are provided from permanent and long-term sources, while only short-term demands and other working capital come from short-term sources. Until such time as an organization of associated labor guarantees this structure of funds and sources of funds, it would not be able to make use of resources for new investments in basic funds.

As for monetary and credit policy in 1984, this will have to go on being restrictive in nature (in order to support the balance of payments and further reduction of domestic demand or inflation), for the FEC has opted for the concept of moderate restrictiveness in order to facilitate a rather greater level of support, through the monetary and credit policy, for demands for economic recovery and improved liquidity. Interest rates must not be abandoned. In accordance with the guidelines from the long-term economic stabilization program, the FEC will strive to have interest rates and inflation rates gradually harmonize, which will be brought about by reducing inflation rates on the one hand, and increasing interest rates, on the other.

Decisons in the sphere of acquisition and distribution of income, in addition to some of the aforementioned issues, are among the most important open issues for which permanent solutions must be found in 1984. Work is being done on these in the trade unions. The first outline of a social agreement on this has been drawn up.

In 1984 conditions must indisputably be created for rewarding workers consistently in accordance with their labor and the results of labor, while full affirmation must be given to production and creative labor and labor accomplished under difficult conditions. If we are to achieve this, regulations and social agreements alone are not enough. What is needed is that, in every environment where decisions upon this are made, those who labor and create must make themselves heard to a greater degree, and subjective forces and society as a whole should give them greater support so that there, in fundamental relations, the cult and stimulation of labor and creativity may be victorious over idleness and irresponsibility.

In the sphere of distribution, however, in addition to the problem of setting a value on current and past labor in the economy the open question of consistent realization of the relations of free labor exchange essentially remains. Attempts to resolve this problem by placing restrictions on income are made futile by the constituted rights and institutional solutions in the sphere of joint and general consumption. The problem of excessive overburdening of the economy is thereby essentially not resolved, but grave problems are created in the functioning of a number of vital social activities with regard to evaluating the labor of working people engaged in these activities.

The problems of the federal budget and the latest (unsuccessful) attempts to proceed from the principle of adaptation to the real income economy in this budget, stands out in particular. The FEC continues to adhere to the new stabilization concept of the federal budget, such that it is essential to draw up this concept on the basis of the guidelines in the stabilization program and to encompass in this concept the entire complex of finance for joint and general consumption.

On this occasion the republics and provinces did not agree to work out their budgets on this concept nor did they accept such a concept of the federal budget. There are numerous reasons why this new concept received no support, but essentially it was not fully worked out and explained and was not debated with the republics and provinces in advance. Many therefore saw it as being on the open account principle, which could in the end lead to greater budget expenditure than is the case at present, while among budget beneficiaries the fear was in evidence that such a way of financing would not ensure that their legal rights to execute those functions established by law would be satisfied.

Another of the crucial questions that remains essentially open is what we must do in taxation policy to make it fully serve economic policy. What, inter alia, must we do to come to grips with the existing surplus and unfavorable structure of demand in the domestic market. The long-term economic stabilization program and the resolution on Yugoslavia's socioeconomic development in 1984 envisage significant changes in the sphere of the taxation system and taxation policy:

-- first, to strengthen the reproductive capacity of the economy by reducing overall contributions in the form of taxes used to satisfy general social needs;

-- second, to strengthen the role of indirect taxes in financing general social needs;

-- third, to strengthen the economic and social functions of the taxation system and taxation policy (compared with the fiscal function which dominates at present);

-- fourth, to implement more fully the principle of paying taxes in proportion to income trends, that is, paying workers' and citizens' taxes in proportion to their economic might, with the aim of guaranteeing in principle the identical economic position of organizations of associated labor, workers and citizens, and equal distribution of the taxation burden. Harsher and fuller levying of taxes (progressive) on income acquired outside personal labor, of property and income from property and so forth is included in this.

An agreement on coordinating the taxation system has already been offered. The republics and provinces should sign this as soon as possible and start implementing it. On the basis of this agreement the republics and provinces are to adapt their own regulations on taxation. Coordination of the interests of the republics and provinces with regard to ensuring common bases for the taxation system is a delicate and complex matter. Adaptation of this system will be carried out gradually. First of all provision must be made to strengthen the economic and social functions of turnover tax, and then to round off the changes in the taxation system and taxation policy in the direction of implementing the economic stabilization program.

The competences that basic organizations of associated labor and municipalities -- up to the republic or province -- have in social policy are diverse and widespread. Given the extent to which social policy must be an integral part of the economic stabilization policy which we are conducting, the FEC -- along with the organs of the republics and provinces, the trade unions, and the Socialist Alliance -- is drawing up an integrated program for implementation of the most effective measures possible in regard to the consequences of the stabilization program for individual strata of working people and citizens.

In such circumstances where all other comprehensive measures which must precede the reform in pricing policy or accompany it are under preparation, we had to undertake necessary measures with the assumption that work is moving faster on what has been started, and is being implemented on the necessary measures that have not yet been commended. The FEC considers that the tasks of the stabilization program, in particular the anti-inflation program, brook no further delay; they would have been far easier to implement had they been carried out a few years ago but an even greater price will be paid if we postpone the inevitable changes for the future. In a situation when a program to remove the chief sources of expenditure inflation has been worked out on the basis of the stabilization program, though not yet fully worked out, and when other most important changes in the economic system are in process of being worked out, the FEC has, with the agreement of the executive councils of the assemblies of the republics and provinces, decided to adopt the necessary decisions to eliminate the most marked disparities in prices. Unless those other measures to eliminate the causes that in our conditions give rise to expenditure, inflation and pressure on prices are taken, all these other decisions would be pointless and their effects would rapidly be ruined by the ensuing wave of price rises on other goods.

I must at this point express concern that the difficult debates conducted here in the SFRY Assembly during the past few days regarding the volume and growth of joint and general consumption and regarding the federal budget give no basis for confidence in that readiness. Debates about consumption are still not being linked with the consequences in terms of price rises. There is still that division whereby someone worries about maintaining the existing level of consumption while at the same time off-loading the responsibility for inflation chiefly upon the FEC and upon other economic policy measures. We must all take account of that danger; that wave cannot be prevented by inspections alone, unless this is accepted as a policy by all subjects in society.

In such circumstances, along with the orientation toward intensive work on completing the program and the taking of measures that the FEC must take, along with the expectation that on this priority task of stabilization a broad social action will be organized by self-managing organs of basic organizations of associated labor, in mutual relations, and in relations between them and business banks, as well as in all sociopolitical communities -- the FEC has decided, simultaneously with the decisions to eliminate the most conspicuous price disparities and also with regard to the prices of products where this blow will most be felt, to adopt the decision to freeze all prices. This has been neither an easy nor a hasty decision, in particular from the point of view of compromising the price freeze policy in the past. We chose the lesser evil.

The other, greater evil would be to continue the accelerated trend toward an even higher inflation rate. Of course, the decision on a price freeze will find its justification if in the period of 6 months we do everything that we have to do in our society. The FEC is conscious of its responsibility and is ready to do everything within its jurisdiction and its possibilities. We expect all others to do the same -- everyone to do his part of the business -- because there is no time for postponment. Changes are necessary. The longer we delay the dearer the price of the changes will be.

To eliminate the disparity is thus only one move measured up to the limit of tolerance in the present conditions of the economy's financial situation. Nobody will applaude them -- neither those who expected that their position would be changed overnight by radical changes in the direction of the real evaluation of their work, nor those whose production or living costs would thereby increase. The emergence of price disparity is an economically legitimate phenomenon and the FEC has no intention of taking over the role of constantly and lastingly coordinating them.

We have done only that which was absolutely necessary and with the price freeze we have given ourselves and all other subjects of the economic policy a breather in order to create prerequisites for price formation in line with the relations of socialist self-management in conditions of activity according to objective economic laws. All of us bear the great responsibility to succeed in this. According to the resolution you will adopt today, the joint efforts in 1984 will proceed along several tracks. On the one hand, economic policy should ensure that the initiated positive changes and trends are continue' and consolidated and that unfavorable ones are halted; on the other hand, the necessary changes in the conditions of economic activity in the directions laid down by the long-term economic stabilization program should be both continued and speeded up. In the same vein, intensive work should be organized in preparing the strategy of development in the second stage.

The expansion in exports in 1984 will also be the strategic economic policy orientation. Our assessment, however, is that the increase in exports to convertible currency areas should be implemented this time within the framework of increasing the entire exports. It is in view of this and the results already achieved in 1983 that the orientations of the 1984 economic policy stem.

The first orientation is that in 1984 the revival of economic activity and all conditions for the growth of industrial production (which is at present set at 3 percent) and of the social product (2 percent) should be ensured. This revival of production is placed in the service of increased exports. In order to ensure a 16 percent increase in total exports and a 20 percent increase in exports to convertible currency areas, it is necessary to provide goods for such an increase in exports, that is, the proposed increase in production is necessary. On the other hand, should employment in our country continue to increase without an increase in production, this would mean a drop in productivity and in exports.

To make sure that this increase in production, bound up with export objectives, can be implemented in conditions still limited by the lack of raw materials and especially energy resources, it is inevitable that as early as 1984 intensive changes are made in the structure of the use of energy in production and in consumption and that all measures be taken to complete as soon as possible the energy capacities under construction and to start the building of new ones. In addition, energy producers and consumers, and self-management organizations and communities will conclude self-management agreements regarding the construction of energy plants on the basis of pooling their labor and resources and of joint earnings of income proceeding from the commodity character of energy and from the operation of economic laws in this area. We are changing our attitude also in regard to prices in this sector and in this respect energy cannot be treated differently from any other commodity. It is only a question of time when this will be carried out but it is clear that the issue cannot be prolonged. This is a condition that will make it possible both for the energy industry to develop and allow the people working in this sector to be responsible for its development.

The overall situation regarding the use of available manpower potential, especially of young cadres of experts, who today make up almost half of over 900,000 people looking for employment, requires that all those who work and handle social resources should ensure a more efficient use of these resources in keeping with the overall development changes and, on this basis, establishment of conditions for a constant expansion of opportunities for new productive employment. This indicates the need to take concrete measures to make greater use of reserves that as far as the further development of employment, lie in the inadequate use of material and human resources, better organization, and division of labor at the level of the overall social reproduction.

The faster development of the economically inadequately developed republics and of the Socialist Autonomous Province of Kosovo is once again one of the basic joint objectives of the socioeconomic development of our country. The transformation of the federal fund in the sense that it will strengthen the pooling of labor and resources in order to acquire joint income and on a comprehensive business merger of organizations of associated labor on the basis of joint use of modern technology, knowledge and experience is one of the particularly important tasks in connection with boosting faster development of these sociopolitical communities. This is the role and the direction that should provide an efficient impact on overcoming development delays. It is by strengthening these relations and by improving the interest of workers and experts in other areas that we must accelerate the development of economically inadequately developed republics and of the Socialist Autonomous Province of Kosovo in the direction of raising productivity and strengthening the efficiency of existing capacities and of developing new ones so that a more efficient way can be devised more rapidly to overcome their relative development delays. In addition, in 1984 we must establish objective criteria and indicators to determine the degree of the development of the republics and provinces in order to establish which republics and provinces will enjoy the treatment of an economically inadequately developed area after 1985. Regardless of the fact that intensive work is continuing on preparing these criteria, the present experience indicates that we will not easily terminate this business, hence our even greater commitment to ensure the solution of this problem in good time.

It is a well-known fact that last year the FEC was very much involved in connection with the sorting out and with a quest to devise the best possible solutions in the domain of foreign finance. Our balance sheets were showing that we must declare a moratorium and aim for a reprograming of our debts or seek a better solution. We tried to attain the latter. You also know that, on the one hand, we had to negotiate multilaterally with foreign partners and, on the other hand, on our domestic plane and in keeping with our self-management system, we had to search for optimum solutions on the basis of which we could regularly meet our commitments vis-a-vis our foreign partners. The negotiations with our foreign partners took place in difficult conditions because of the many previous delays in meeting our commitments towards them. Bearing in mind the number of our partners, the general state of mistrust because of the world crisis, and our difficult negotiating position I can express my conviction that a great deal was attained in 1983. We are not quite satisfied with the conditions we obtained. Howver, I believe that in the context of the dynamics of our business, involvement and reciprocal interdependence of financial packets more could not have been obtained.

We are entering the year 1984 better prepared than we were when we entered calendar year 1983. We are aware of the dimension of our problem. Regarding the balance of payment results there is something we can say and show. We virtually eliminated the current deficit. Of course, a number of problems still persist. In order to further strengthen our position in the world, in 1984 we must aim at creating the conditions to obtain a significant surplus in our current balance sheet as a result of which we can begin creating foreign currency reserves from our own resources and no longer by taking on new credits, which had been our previous practice over a period of many years. Of course the central task in 1984 is to persist in meeting our commitments towards the foreign countries, in the continually restrictive conditions regularly and one time. In order to achieve this in 1984 we must enter a program of refinancing.

As you know, with Switzerland playing the role of a coordinator, the first meeting was held on 18 November this year with the representatives of the governments -- signatories of the 1983 Bern agreement. To our great satisfaction in 1984 the Kuwaiti Government will join these governments. On 6 December a meeting was held in London with representatives of the commercial banks where a coordination committee for 1984 was set up.

We have already clarified a number of issues with the IMF. What remains for us is to substantially sort out the remaining questions in the first half of January. Among them there are some significant questions on which we have difficulties coming to an understanding, especially those concerned with the foreign currency systems and interest rates. We shall endeavor to present an argument to our foreign partners that the comprehensive program of economic stabilization which we accepted and which we carry out is in the interests of our country and of our relations with foreign countries, in the sense of satisfying the interest of our foreign partners in making our economy commercially viable.

Furthermore, that the policy of realistic interest rates is also an orientation of our stabilization program but that it cannot be implemented in one direction only but also by taking parallel measures to combat the causes of inflation. Regarding the foreign exchange system, it is in the interest of our country -- and we have done this this year -- to take every possible step so that we might balance out our balance of payments in the shortest possible time, in order that we might regularly carry out our obligations towards our partners abroad. We shall not allow now, as we did not allow in the past, for reasons of principle, interference in the relations of our system. Together with the SFRY Assembly and other federal organs we shall know how to determine the limit that will not go beyond that demarcation line, the crossing of which would represent disruption of our system and acceptance of material proportions and obligations which would have negative effects on the realization of goals of our stabilization program. We hope that on this basis we shall successfully conclude negotiations with the IMF. Of course, for our economy this would represent a material relief in surmounting these most difficult years. But, even if we do not succeed, Yugoslavia will find the strength to remain steadfast even along with graver material circumstances, to remain that which it is. Under no circumstances must we remain without prospects. There could and must always be a way out. The FEC has also devised a program for such a situation and it constantly keeps the SFRY Assembly informed of it. We must be consistent with ourselves, resolute and without any illusions. In every given situation, we will be the one who will bear the main burden. The success of our way out of this situation depends mainly on stimulating our potentials, both human and material.

No matter how difficult or nearly utopian this might appear to be -- in such crisis disruptions and precisely because of them -- it is crucial that the knowledge of the direction of our progress consolidates. What is crucial for the way out of the difficulties, for the stabilization of our economy, is that we find the knowledge, courage and resolve and the responsibility of the awareness that by what we shall do in 1984 and in the years to come, we fall in step with that which is our future, with that which we now describe as the second stage of the stabilization program. This state is separated from the present first stage only in the sense of being the stage in which the tasks will be chiefly implemented in practice, but our work today must already be aimed in this direction. We cannot get out of our troubles by some kind of counting off which represents merely the repayment of debts, "patching up" and repairing the existing economic conditions in order to return to the "good old times." There is strong inertia in society which tries to introduce, wherever a change is to take place, precisely such criteria of the past. By taking into account the objective facts about such profound changes demanding a period of several years, that they cannot be implemented either materially or subjectively overnight, it would be disastrous for the country's future were the criterion of "patching up", of survival of the existing structure, of existing inefficiency and irrational nature of the economy and of society to prevail.

From the long-term stabilization program it is clear that the need for profound changes which we must carry out in production and in the development policy stems from the unsatisfactory situation of our economy -- both of social relations and links, organizational standards, relations with the world, and with regard to satisfying the country's needs.

The great burden of the obligations that we have towards other countries, the large increase in debts, which is the result of the enormous increases in interest rates and in prices of products that we must import, are making the conditions in which we must carry out all these changes considerably more difficult, but they also sound a serious warning that by merely "patching up" things, by painting a different picture of the present state of our economy -- even if we should also now succeed in returning our debts -- we would very soon find ourselves in difficulties even perhaps deeper and greater than the present ones. At the present level of its development, with its independent and nonaligned policy, with its material, cadre, and human possibilities in general, with its self-managing system based on the immense initiative of human interest and will, with its open borders and geographical position, from which the influence and positive aspiration of the working people to advance speedily towards the achievements of much more developed economies than ours constantly flow -- Yugoslavia cannot develop successfully without participating more extensively in the international division of labor, without consciously exposing its economy to the criteria of efficiency of developed economies.

Next year and in the years to come we face the obligation of practically developing this strategic orientation of the stabilization program. I think that as early as next year, our general orientation towards an increase in exports, which has yielded encouraging results this year, must be transformed into a strategically planned concept, devised for practical implementation of the place of Yugoslavia in economic relations with the world. Apart from the fact that our entire exchange with the world is relatively low and that in the past 15 years or so it has been even falling, the present picture of the state of our relations with other countries clearly shows that the possibilities of the growth in exchange on the basis of existing relations are small and that we shall quickly exhaust them. If we want to fall in step with the future we should be working on it today. The commodity exchange based on various forms of long-term production cooperation is insignificant -- with socialist countries it amounts to 6.3 percent of the total exchange, accompanied by some other similar aspects of specialization and cooperation, with developing countries it amounts to only 0.3 percent and with developed countries of the West to 8.5 percent. Exchange based on other forms of long-term cooperation (joint investments, transfer of technology, etc.) is negligible. No matter how much the world economy is shaken and disrupted, we must, by following Yugoslavia's foreign policy and its policy of comprehensive cooperation with all countries of the world on the basis of equitable relations and relations of mutual interest and interdependence, seek spaces that enable us at this level of development to make qualitatively fresh break-throughs which will in a medium-term period also yield more favorable quantitative results.

An analysis of the situation and the existing relations demonstrate that thanks to our fast development and the development of others the strategy of taking a much greater part in the international division of labor cannot be built on simple relations of trade exchange and concession relations, which are at present predominant. We have already arrived at the point at which the development plans are objectively in conflict with the interests of our producers and producers of the socialist countries and countries in the West. Our development is taking us inexorably in the direction where, for similar reasons, we shall be more and more in conflict with producers in the developing countries. This is a situation in which only through altering the quality of relations, orienting ourselves more to cooperation and specialization and undertaking joint investments and ventures can we play a much greater part in the division of labor. It is with this approach -- thoughtful, courageous and resolute -- that we must accept what the future is bringing by way of ever-increasing links and interdependence of production on a world scale, and, within this context, we must study and construct the strategy for our place and role in the international division of labor, proceeding from our potential and interests and from the same strategic orientation in relations with others for which, as part of the nonaligned movement and developing world, we are fighting in the international community.

So as not to succumb to the inertia of "patching up" and papering over the cracks in the present situation, which, as I have said, leads merely to the repetition of the crisis, next year we must seriously get down to the business of working out a strategy of Yugoslavia's scientific and technical development in order to start switching the small amount of accumulation we have and are procuring from dealings with foreign countries into a new direction. We must, as soon as possible, get out of the situation in which concrete measures and discussions about the necessary structural changes go as far as considering altering relations between the base industries and processing industries, usually with an approach to the country's economy, which is still rigid and autarchic.

The world has moved into the third industrial revolution. Without the delusion that the whole of our economy can skip centuries and soar to the very peak of this great world race, we must, as far as possible, plan the way out of our difficulties and the great structural changes we have to achieve in our economy on the exploitation of the world's achievements and the maximum involvement of our scientific and expert potential where we have or can realize an advantage. This lever must be used to ensure a more equal place for us in the world division of labor. Science and expertise must be the chief support for underpinning our structural changes and become the fundamental infrastructure of production, particularly where it is in sharp competition with the world. This need not mean that many of our existing capacities have no chance. It means merely that they must check their production programs and alter them according to this future. In some sectors of production the mere enhancement of marketing is producing new opportunities.

Unless we make a quick start on these changes on a broad scale, there is every danger that we shall remain an "appendix" developmentally on this European Continent, and a very great risk that in the period ahead of us we will be neither an important partner nor, even less, a support and firm ally in the complex battle for progress by the developing countries. The terrifying threat of modern machines and top-flight technology which replaces workers in production cannot constitute an obstacle to development in our socialist self-management system, as it does not have the same outcome.

With their high income in industry and production, where as little human labor and effort as possible will be used, people will be directed to employment in other undeveloped sectors in the country and gradually create the conditions for a reduction of the working week.

In view of the great tasks awaiting us next year in the timely preparation and development of a strategy for the scientific and technological development of the country, the FEC will organize its own commission in which and through which it expects the most direct involvement of our prominent scientific and expert cadres and organizations of associated labor, and particularly those already researching and achieving breakthroughs in this direction.

The relevant expert and social bodies have been organized or will soon be formed in the FEC federal secretariats, and some federal committees with a view to developing individual parts of the stabilization program in specific spheres for practical applications in their first and second phases. A large number of expert cadres from scientific institutes and the economy have already been brought in to develop the program of the development strategy for energy production with the aim of working out as soon as possible a realistic program for energy production development up to the year 2000.

All the indications are that 1984 holds out no promise of less effort or self-denial than in the outgoing year.

What the coming year should afford is a bolstering of our own confidence in the strength of our economy and self-management society to find a way out of the present situation. On this will also depend the easing of our position in the international economic community, through the restoration of our partners' confidecne in the Yugoslav economy's ability to be a trustworthy and equal partner. The successful realization of the long-term economic stabilization program is a key precondition for opening up this prospect.

Chamber Adopts Decisions

LD280000 Belgrade TANJUG Domestic Service in Serbo-Croatian 1412 GMT 27 Dec 83

[Excerpts] Belgrade 27 Dec (TANJUG) -- After nearly a month of coordination, the Chamber of the Republics and Provinces of the SFRY Assembly (with Antun Bubic in the chair) today adopted the Economic Resolution for 1984 -- the most important annual plan document to regulate the business activity of the economy -- and a series of other significant social issues next year.

The chamber also established today the total volume of the federal budget's expenditure for 1984; the decision on the goals and tasks of the joint issuing and monetary policy and on the joint foundation of the credit policy; the decision on determining the income from customs duties and other import levies which are handed over in 1984 to the Interest Community of Yugoslavia for Economic Relations With Other Countries; the decision on determining the total amount of foreign exchange for the needs of the Federation next year; and the decision on the joint foreign exchange policy of Yugoslavia in 1984.

The chamber also adopted today the amendments and supplements to two very significant pieces of legislation: the Law on Foreign Exchange Transactions and Credit Relations With Other Countries and the Law on Payments in Convertible Foreign Exchange.

Following Milka Planinc's report, the delegates of the Chamber of the Republics and Provinces adopted in separate session the proposed Law on Determining the Total Extent of the Expenditure of the Federal Budget in 1984.

The first to speak in the debate on next year's economic policy was Drita Dobrosi (Kosovo), who stressed that the resolution and other documents had been prepared in a very hard-working and constructive atmosphere, with mutual respect for views, suggestions, and proposals.

Ivo Klemencic (Slovenia) noted that this time the tasks that represent the real scope of our knowledge and objective possibilities in implementing the stabilization program had been laid down much more specifically than before.

Zdravko Ciric (Croatia) pointed out the complex nature of economic documents and of the decisions which we are adopting but also the lack of self-management as the basis of our development. Thus, in the credit-monetary policy very little space has been left for the self-managing aspect. Ciric advocated that a critical analysis with much deeper economic assessments be worked out.

Dusan Vlatkovic (Vojvodina) pointed out the quality of the tasks set, but he also stressed that a number of measures laid down by the plan for the implementation of the long-term stabilization program are not contained in the resolution and that they should be adopted at the beginning of next year in order that the designated goals might be achieved. He said that what was involved here were measures dealing with the problem of the differences in the exchange rates, liquidity of the economy, disparity of prices and others.

When the debate ended the long-awaited moment of adopting the 1984 Economic Resolution came.

Today when the work on coordinating the resolution has ended it could be rightly said that togetherness once again triumphed; that the republics and provinces have demonstrated full understanding for the problems of others; that they had often given up even their justified demand in order that a joint solution might be found. The Chamber of the Republics and Provinces today adopted amendments to the Law on Foreign Exchange Transactions and Credit Relations With Other Countries.

The new law establishes that before any foreign exchange is distributed, the part needed by the Federation should be set aside to complement the foreign exchange reserves, to repay credits taken up abroad by the national bank, to purchase foreign goods of particular importance to the supply of the population and the import of energy raw material. After that the exporting organization retains the right to part of the foreign exchange to buy semi-finished materials, raw material, and spare parts, and to meet its fixed and guaranteed obligations to other countries. Everything remaining is sold on the consolidated foreign exchange market at which purchase rights are given to those who must import raw and semi-finished materials but who do not have foreign exchange for this purpose. At the end of the day's session -- the last one this year -- the Chamber of the Republics and Provinces adopted the program and plan of this assembly chamber for 1984.

The chamber also adopted the proposal that Joze Florjancic be relieved of his post as federal secretary of finance, as well as the proposal to appoint Vlado Klemencic as the new federal secretary of finance. The chamber also decided today to accept the social agreement on the foundations of the strategy of technological development in the SFRY.

1984 Budget Figures

LD271426 Belgrade TANJUG Domestic Service in Serbo-Croatian 1209 GMT 27 Dec 83

[Text] Belgrade, 27 Dec (TANJUG) -- The Chamber of Republics and Provinces of the Yugoslav Assembly has approved the total volume of the federal budget for 1984 which amounts to 374.22 billion dinars. The budget provides 231.6 billion dinars for the Yugoslav People's Army, 51.7 billion dinars for disability allowances and ex-servicemen payments, and 32.6 billion dinars to finance the economically underdeveloped republics and the Province of Kosovo. On the revenue side the biggest entry is the federal turnover tax, which amounts to 15 billion dinars. Contributions from the republics and provinces will amount to 130 billion dinars, while the difference will be made up from income provided by customs duty.

SPILJAK MEETS MAMULA, ARMED FORCES DELEGATION

LD220031 Belgrade TANJUG Domestic Service in Serbo-Croatian 1421 GMT 21 Dec 83

[Text] Belgrade, 21 Dec (TANJUG) -- President Mika Spiljak and members of the SFRY Presidency, together with top officials of the federation, received today a delegation of the Armed Forces of Yugoslavia led by Federal Secretary for National Defense Fleet Admiral Branko Mamula. Having congratulated the guests and through them all members of the Yugoslav Armed Forces on behalf of the SFRY Presidency and on his own behalf, President Spiljak said:

"The high degree of combat readiness, firm moral-political unity, and national and revolutionary character of the Armed Forces and the Army has reaffirmed itself at all critical moments, whenever we have been passing through difficulties in our development. This simply confirms that the Army and the Armed Forces as a whole have been consistently developing on the firm foundations established by the LCY and Comrade Tito.

"The situation in the world -- political, economic and military -- is most unfavorable and is deteriorating daily. Peace has not been as threatened as it is today since the last war. The arms race, the stockpiling of nuclear weapons on our continent and the increasing influence of the military factor are seriously threatening world peace. New centers of crisis and war are being created and are threatening to develop into larger ones or into a broader world conflict. Armed intervention and direct aggression have unfortunately become a reality of the contemporary world. The victims are most often the small, independent and nonaligned countries.

"This obliges all of us to watch over the security of our country and to strengthen its defense capability. This is why in the preceeding period we have continued to guarantee funds for defense and the modernization of the Armed Forces and Army, despite the unfavorable economic situation. For the most part through our own resources we have succeeded in equipping the Army with modern weapons and military equipment, and we will do this in the future as well. In this respect we have always had the understanding and support of all our nations and nationalities.

"We are pleased that we can particularly stress today that the moral-political state of our Army is firm and stable. This encourages us because of our deep conviction that our greatest defensive strength lies in the individual, in people of high moral quality committed to the ideals of a self-managing socialist society and of independent, nonaligned Yugoslavia. It is very important that our Army is a great collective in which comradeship is nurtured, as is brotherhood and unity, that powerful force of our togetherness.

"The economic difficulties of the country are reflected in the living standard of the members of the Army, and on the living standard of all working people. However, just as the working class is making enormous efforts to overcome the present economic difficulties, such efforts are also being made by the army. It is doing this through the rational utilization of resources and by participation in the construction of numerous facilities throughout the country.

"Comrades, we all know that the dangers that arise from the exacerbated military-political and overall international relations can in certain circumstances be transformed into direct pressures on us. This is why for defense it is particularly important that we consolidate the economic situation as quickly as possible. This demands of all of us, of all working people, of the whole nation, that we resolve the current and, above all, the economic problems as soon as possible.

"The readiness of the working class and the entire nation to persevere and to carry out the program of economic stabilization, the great material and social possibilities, and the positive results in economic activity in the recent period give us encouragement and convince us that we are on the right road. We firmly believe that all difficulties will be successfully overcome, and that perspectives will be opened up for the further progress of self-management, brotherhood and unity, equality and nonalignment."

Federal Secretary Branko Mamula expressed the general mood and readiness of the members of the Armed Forces of Yugoslavia to successfully carry out all the tasks in the system of all-people's defense and social self-protection which our society has entrusted to them in the defense of the independence of our country. In this connection, he also said:

"The plans with which we entered 1983 have for the most part been realized. We regard as a particularly valuable achievement the fact that we have succeeded in preserving the ideopolitical unity of the Army's composition following Tito's course and the program and policy of the LCY, in further deepening its revolutionary and national character and reinforcing the respect which the Armed Forces enjoy. This has been done in the complex circumstances through which our country is passing, and the steadily worsening overall military-political situation and particularly that part of it which most directly affects our security.

"We have carried out intensive training of the command and units of the peacetime corps in order to raise the level of its combat readiness and insure ourselves against possible surprises which could occur with an unexpected change in the situation.

"We have devoted more attention than in previous years to the common training of all structures of all-people's defense and social self-protection in all areas of Yugoslavia. The experiences of present threats to freedom, independence, and national integrity teach us that open aggression comes as a rule when the country is infiltrated from within and its internal relations and stability are disturbed. Doctrines of so-called unconventional wars have been worked out and headquarters set up to organize and systematically lead them. Many countries are exposed to them, particularly those which are experiencing internal difficulties. The most recent forms of terrorism concern us all. With the loss of trust between the great powers and the avoidance of the danger of direct confrontation between them, all forms of unconventional warfare between them and the most drastic types and forms of terrorism can only increase in significance in the period ahead of us. Hence our efforts, too, to equip ourselves as quickly and successfully as possible to confront such forms of threats to our security must become the daily concern of all factors of all-people's defense and social self-protection, at all levels from the local community to the Federation."

MUHIC ON 'ALTERNATIVES TO OUR POLITICAL SYSTEM'

AU211914 Zagreb VJESNIK in Serbo-Croatian 14 Dec 83 p 3

[Jovo Paripovic report]

[Excerpts] A scientific gathering on "Marx and Socialism -- Contradictions and Prospects" has been held in Petrovaradin, lasting 3 days. This dialogue on essential problems of Marx' work, Marxism, and socialism, organized by the Institute for the International Workers Movement, was attended by over 70 scientific workers from all parts of our country.

Those taking part in the discussion dealt more with the contradictions than the prospects of Marxism. A group of "left radicals" attempted to exploit this gathering for launching their views. Marx was credited with Stalinism, he was blamed for the Gulags, and alternatives were offered to our political system, which in the well-known ways negate the LCY and its legitimacy. However, one gained the impression, at least judging by the papers submitted, that this exaggerated radicalism has no chance of becoming a dominant way of thinking among our Marxists. It is, nevertheless, a fact that only two of those taking part at the gathering openly opposed the views expressed in this way.

They were Petar Zivadinovic, executive secretary of the Presidium of the Central Committee of the LC of Serbia, and Fuad Muhic. We are publishing a report on their speeches unchecked by the authors.

Alternatives to our political system, Fuad Muhic said, appear in several forms and variations. One of them envisages a bloc of left parties, another a mass social movement and its flexible institutionalization, a third an alliance of socialists, a fourth a total anarchist reorganization of our society, and a fifth insists on a purely bourgeois restoration and is present in a paper at this gathering (Vojislav Seselj's paper -- correspondent's note). This one asserts that only a restoration of a multiparty bourgeois system in our country would have a chance of restoring the endangered democracy.

Accusations of Illegitimacy

The ways of disputing the present political system are basically rather different, and they begin with the extremely radical ones, which hold that the present political system is completely illegitimate, that the ruling party, as it is called in this terminology, maintains itself by usurping power and that it is therefore legal, but not legitimate, that an "abridged revolution" was carried out in our country in the form of an "extended coup d'etat," and that therefore all the political creations after this "coup" are, in essence, historically illegitimate.

A second basis for disputing the present system is a return to the philosophy of enlightenment and an insistence on the natural rights of all former political groups to prove themselves in the new system. The third one is, conditionally speaking, transcendental: it considers that the condition which makes all the other conditions of political life possible is precisely the classic mode of bourgeois democracy, parliamentarism, multiparty system, legalization of opposition, and the like.

Further on in his speech, Muhic asked the question of what are the prospects for such "institutional pluralism" or rather, what are its real historical chances, and in what dimension should they be placed, if they exist at all, of course. He mentioned two ways of reasoning by some Marxists.

One takes the basic position the Communists should now, on the basis of the logic of events to date, be pushed in some way to wisely realize that they have become outdated and be forced to descend from the stage of history so that institutional pluralism can be legalized. In other words, this would be some kind of accelerated reform which the LCY itself would initiate either to abolish itself or to reduce itself to the margins of historical events and in reality to disappear. The second alternative is of course much more radical and it advocates, depending on the choice of an advocate's work, a second or a third revolution, which would be chiefly counterbureaucratic and whose basis would be a mass social movement or some other subject formed outside the present political system, Muhic pointed out. He added that one thing is forgotten: the method of historical analysis. If this were taken into account, it would be shown that any of these alternatives would at present hardly be likely to find an opportunity for historical verification, for, at least for the present, there is no indication that the workers class may think about and advocate the position of a multiparty system o: see in it a way out of the situation in which we are at the moment.

Of course, the advocates of such a radical view will say that this is the result of the repression by the system which does not allow the workers class any freedom or opportunity to express their views.

Narrowed-down "Vanguard"

The advocates of such views also fail to take into account another real possibility verified by our recent experience to the effect that we have no real historical guarantee -- which is not to say a theoretical one -- that an institutional pluralism expressed in such a way would be ensured by any machinery against the penetration of the right in our country, Muhic said. He remarked that we must bear in mind that the right, chiefly the nationalist right, is a force "lying dormant somewhere in our society" and that an institutional pluralism would provide an occasion for its offensive. The right would seek its chance perhaps in a way identical to the one it used in the mass movement [in Croatia in 1971], flaunting leftist slogans but continuing its typical rightist essence. Muhic remarked that the advocates of these changes and those who offer alternatives to our present political system can be found in a very small circle of intellectuals, some of whom are present at this gathering, and he posed the question whether our workers class needs an indoctrinated ideology from such a narrowed-down "vanguard," for the workers class is well able to discern if the existing system is suitable or not.

It would show intellectual integrity if the advocates of all such alternatives were to say what they are if they are not Marxists; and some of them said both here and on earlier occasions that they are not Marxists and that Marxism was an "illusion" of their youth. Let them declare from what position they are asking for a second, third, or whatever revolution, so that we know how to discuss it. I fear that without a frank declaration we will move within a closed circle of suspicion. I believe that nobody would derive any harm from such a clear position; on the contrary: one would derive a very clear theoretical and practical advantage in the discussions, Fuad Muhic concluded.

'ALBANIKOS' GROUP SENTENCED IN GJILANE, KOSOVO

AU281009 Belgrade TANJUG Domestic Service in Serbo-Croatian 1414 GMT 27 Dec 83

[Text] Gjilane, 27 Dec (TANJUG) -- After a 4-day trial, the bench of five judges of the District Court of Gjilane, presided over by Judge Bajram Kadriju, today handed down prison sentences totalling 90 years and 6 months on 14 members of the illegal hostile group "Albanikos," which operated on positions of Albanian nationalism and irredentism and whose aim it was to undermine the social system of the SFRY and to destroy brotherhood, unity, and togetherness of our peoples and nationalities. Ten of the accused were tried for a criminal act under Article 136, Sections 1 and 2, in connection with Article 114 of the Criminal Code, while four committed a criminal act of hostile propaganda under Article 133, Section 1 of the SFRY Criminal Code. Cemjilj Kastrati committed a criminal act of hostile propaganda under the same article, Section 4. Ramiz Arifi had to defend himself for two criminal acts he committed.

Emin Krasnici, chief accused and one of the founders of the extremist hostile group "Albanikos," was sentenced to 14 years imprisonment; Besnik Krasnici, who is an emigrant in Australia, was tried in absentia and was sentenced to 9 years imprisonment. Bejram Drmaku was sentenced to 11 years, Ramiz Arfifi to 10 years, Sali Maljaj and Ahmed Isufi to 8 years, Isa Drmaku and Sadri Ramabaja to 6 years, Cefsere Maljaj and Sali Bicku to 5 years, Nijazi Bicku 4 years, Suceri Emini to 2 years and 6 months, and Cemajlj Kastrati and Taip Maljaj were sentenced to 1 year imprisonment. The accused secondary school teachers, Emin Krasnici, Sali Bicku, and Isa Drmaku, will also be subjected to a ban on performing duties and carrying out work in education for 10 years after the completion of their sentences.